PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 490 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FOURTH SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2008–2009

COMPRISING PERIOD
23 March 2009—2 April 2009

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FOURTH SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 490**

SIXTH VOLUME OF SESSION 2008-2009

House of Commons

Monday 23 March 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Drugs Strategy

1. **Mary Creagh** (Wakefield) (Lab): What progress has been made in the implementation of the Government's strategy to tackle drugs. [264795]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): Drug use is now down to its lowest level in more than a decade, and we continue to see reductions in the harms caused by drugs. Enforcement action is reducing drug-related crime, more effective drug treatment is being delivered, and effective communications and information campaigns are getting across the message that drugs harm.

Mary Creagh: I thank my hon. Friend for that reply. It is clear that children who live with drug-addicted parents face a specific set of risks, including emotional or physical neglect and abuse, and ingesting the drugs or substitute drugs that their parents take. After Lord Laming's report, which was published on 12 March and detailed what went wrong after the death of baby P, what further steps will my hon. Friend take to ensure that the best practice that exists in some places becomes standard practice across the country?

Mr. Campbell: I am grateful to my hon. Friend for that question, because it raises an important issue. The first family intervention programmes targeting substance misuse are under way, and they are particularly important for chaotic families whose lives are affected by substance misuse. They help misusing parents to improve their parenting skills, and also offer protection to their children. We hope that up to 20,000 families will be able to access this support.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Given the Government's treatment of Professor David Nutt, the independent adviser whom the Government appointed, in haranguing him after he had published an academic paper in his own right as an academic, do the Government fear that they will no longer be able to get good quality, independent advice on their drugs policy because scientists will be fearful of getting a morning call from the Home Secretary demanding that they apologise for disagreeing with her?

Mr. Campbell: The simple answer to that is no. The hon. Gentleman will be aware that we take the advice of the Advisory Council on the Misuse of Drugs very seriously. We agreed with much of its advice on cannabis and on ecstasy, but we have to take a judgment based on a wider picture, including the harm that drugs do. It is up to the advisers to advise, but it is up to the Government to take the decisions.

Mr. Lindsay Hoyle (Chorley) (Lab): We welcome what the Government have done and their proposals for the future, but does the Minister not agree that we also have to deal with the dealers? We need a hard-line policy to extend the amount of time that they spend in prison. Previously, people who ended up on drugs and went to prison could voluntarily go and get cleaned up, but that has now been taken away. What can we do to

ensure that people who are on drugs get the support that they need, and that, more importantly, we take a hard line against the dealers?

Mr. Campbell: I agree entirely with my hon. Friend that enforcement is a key part of the Government's drugs strategy, but it is also important that we do not have a revolving door policy in relation to drug misusers and prison. That is why we must ensure that misusers have appropriate treatments before they get caught up in prison, as well during any time spent in prison, and that there is a seamless transition on coming back out into the community.

Bob Spink (Castle Point) (Ind): This set of Ministers has done more than any other I can recall to fight the problem of drug abuse in this country. Will the Minister tell the House what action he can take to implement as soon as possible the control of gamma butyrolactone, the date rape drug that is becoming a real problem?

Mr. Campbell: I am grateful for the hon. Gentleman's support, and I should like to pay tribute to the work that he has been doing on this issue. He will be aware that the chemical to which he refers is widely used in industry, and we are looking at how alternatives can be provided to allow legitimate practices in industry to continue. He should be under no illusion, however; we do intend to take the action that he is calling for.

Dr. Brian Iddon (Bolton, South-East) (Lab): I understand that my hon. Friend was in Vienna recently, at the United Nations General Assembly special session on the misuse of drugs. Will he tell us what position Britain took at that assembly, and what the general outcome of it was?

Mr. Campbell: We made no secret of the fact that the UK Government were disappointed by the political declaration that came out of the long deliberations, and also the conference itself. We did not support views on difficulties concerning use of the term "harm reduction" in the declaration. It is inconsistent to refer to millennium goals that talk about tackling HIV and AIDS, but to do and say nothing about clean needles. We signed up to the declaration reluctantly, but we will continue the process to ensure that harm reduction gets a fair hearing.

James Brokenshire (Hornchurch) (Con): If the Government think that their drugs strategy is working so well, will the Minister explain why heroin and cocaine are trading on British streets at prices that are at an 11-year low?

Mr. Campbell: I am not sure that we would agree with the hon. Gentleman's figures, but let me tell him something about cocaine. There is no evidence that its use has risen in recent years. Its wholesale price is rising, as are seizures of the drug, and the purity of cocaine on the streets is falling. Taken together, those factors suggest that the action that we are taking on cocaine has been successful.

Violent Crime

2. **Mr. Mark Harper** (Forest of Dean) (Con): What recent estimate she has made of levels of violent crime. [264796]

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Vernon Coaker): The British crime survey is the best guide to trends in violent crime. The latest figures, for the BCS year ending September 2008, showed that 2.2 million incidents were experienced by adults in England and Wales. Since 1997, violent crime is down by 40 per cent., which is equivalent to 1.5 million fewer incidents.

Mr. Harper: I am grateful to the Minister for that answer. He will know that many of our constituents are concerned about knife crime, given that the number of people being stabbed to death is at a record high. My constituent Mr. Roger Lambert, of Lydney, watched the BBC 1 programme "Stabbed: The Truth about Knife Crime", and contacted me about the matter. He is so concerned about what happens to those who go out with a knife and take someone's life that he wants—I said to him that I did not agree—the Government to consider bringing back the death penalty to deal with the problem. What can the Minister say to make Mr. Lambert comfortable about safety on our streets and the risk of being stabbed to death by a knife?

Mr. Coaker: What I cannot say to the hon. Gentleman's constituent is that I am in favour of the death penalty or that it will be brought back, but I can tell him and other people throughout the country what we are doing to tackle knife crime issues, which are very particular in some parts of our communities. The hon. Gentleman could mention to his constituent that people found in possession of a knife are now far more likely to be charged, and on being charged they are far more likely to be imprisoned. That applies to possession offences, of course, but if somebody is caught using a knife, they can expect much stricter penalties. The hon. Gentleman could also use some of the latest statistics, which were published on 4 March. The Department of Health figures show that among those aged 13 to 19, there were 31 per cent. fewer admissions to NHS hospitals for stab wounds in the nine English TKAP—tackling knives action programme—regions from June to November 2008, compared with the same period in the previous year. That compares with an 18 per cent. reduction in non-TKAP areas over the same period, and it is extremely encouraging, although there is clearly much more to be done.

Keith Vaz (Leicester, East) (Lab): The Minister will be aware that almost half the victims of violent crime have stated that their perpetrators were under the influence of alcohol. Why have the Government not accepted in full the very sensible proposals of Sir Liam Donaldson to try to put a floor price on alcohol? Does he not accept that it is the cheapness of alcohol that has caused the binge drinking culture in our Committee—*[Laughter]*—in our city centres. Will he look carefully at these proposals and reconsider the Government's approach?

Mr. Coaker: I must admit, Mr. Speaker, that I have never noticed binge drinking in the Home Affairs Select Committee, particularly as I often attend it at half-past 10 in the morning. Seriously, however, my right hon. Friend raises a serious point. The Government's view is that the matter is of serious concern, but we do not believe that the introduction of a minimum floor

price is the right way forward at this time. We do believe that the establishment of a mandatory code for alcohol, which will tackle some of the irresponsible promotions in our streets and city centres—the likes of happy hours and "Drink as much you can" offers—is one of the steps that we need to take if we are to tackle the binge drinking culture. We should also remind everybody that binge drinking is not acceptable and that using the influence of drink as an excuse for doing something is unacceptable to all hon. Members and indeed to the vast majority of people who drink responsibly.

Mike Penning (Hemel Hempstead) (Con): Sadly, my student intern was mugged in Hemel Hempstead on Sunday. She is a very outgoing and gregarious young lady who is now very frightened about going back into the town centre. The town centre is covered by CCTV cameras, but she is worried, quite rightly, that the person who mugged her was not concerned about those cameras or about the punishment—he just wanted to get her money. What are we going to do about that?

Mr. Coaker: I am sorry about the horrific incident that happened to the hon. Gentleman's intern. Such an incident would trouble us all and I am sure it is of great worry to her. The fact that the CCTV is there, however, will hopefully provide evidence, which can be used. One of the best deterrents for people who conduct such awful crime is the knowledge that they will be caught, put before the courts and—obviously, the evidence is needed—given the sentence that they deserve. For the sort of attack that the hon. Gentleman has described, the sentence should be a severe one.

Margaret Moran (Luton, South) (Lab): Will my hon. Friend consider the issues surrounding incitement to violence? As he will be aware, many of my constituents and people across the UK were extremely angry at the attack made on our troops in Luton last week by a small al-Muhajiroun-related group with a history of attempting to incite violence and racial division in our town. Will he review the specific circumstances of what happened so that such an incident never happens to our troops again?

Mr. Coaker: It is fair to say that we were all appalled by the incident in Luton to which my hon. Friend refers. In many instances, incitement to hatred is against the law, and one would expect the incident to be investigated and prosecuted. Whatever else we can say, we all utterly condemn the sort of demonstration that took place on the streets of Luton a few days ago. It should not, and must not, happen, and those who break the law should be prosecuted.

Andrew Rosindell (Romford) (Con): The Minister will be aware that the use of dogs in violent crime and antisocial behaviour is becoming an increasing problem in many areas of the country, particularly the inner cities. Will the Government carry out a detailed assessment of the effectiveness of current legislation and consider how boroughs such as Wandsworth have utilised mandatory micro-chipping as a means of controlling this increasing problem?

Mr. Coaker: Of course we will consider any measure that needs to be taken to tackle the sort of phenomena to which the hon. Gentleman refers. The use of dogs not only as a status symbol for some people in gangs but as an offensive weapon is of increasing concern, as he rightly points out. We are trying to find out the extent of the problem. As for what we are doing, the hon. Member for Hornchurch (James Brokenshire), who is also sitting on the Opposition Front Bench, will tell the hon. Gentleman that the Policing and Crime Bill contains gang injunctions, which can be used, subject to their being passed by Parliament. It can be part of such an injunction to ban a gang member from having or using a dog in the ways to which the hon. Gentleman refers.

Serious Convictions (DNA Evidence)

3. **Ms Celia Barlow** (Hove) (Lab): How many convictions for serious crimes were secured on the basis of evidence from DNA samples in the last 12 months. [264797]

6. **Anne Moffat** (East Lothian) (Lab): What estimate she has made of the number of convictions for serious crimes which relied on evidence from DNA samples retained on the national DNA database in the last 12 months. [264800]

The Secretary of State for the Home Department (Jacqui Smith): The national DNA database plays a key role in catching criminals, including many years after they might think that they have got away with their crime, eliminating the innocent from investigations, and focusing the direction of inquiries. In 2007-08, 17,614 crimes were detected in which a DNA match was available. Those included 83 homicides and 184 rapes. In addition, there were a further 15,420 detections resulting from the original case involving the DNA match. Those occur when, for example, a suspect, on being presented with DNA evidence linking him to one offence, confesses to further offences.

Ms Barlow: I thank my right hon. Friend for that answer. The high figures that she quotes show how valuable DNA can be in both solving crimes and ensuring that the innocent do not suffer. I have been contacted by a number of my constituents who are concerned that cleared suspects' DNA evidence is still held on police databases, however, despite that having been ruled unlawful by the European Court of Human Rights. What action does she plan on that matter?

Jacqui Smith: The specific ruling was on a blanket policy of retention of the fingerprints and DNA of those who had been arrested but not convicted, or against whom no further action was being taken. The Court also indicated that it agreed with the Government that the retention of fingerprint and DNA data

"pursues the legitimate purpose of the detection, and therefore, prevention of crime".

We are, however, looking at the key point in the judgment, and drawing up proposals that will remove the blanket retention policy. We will bring forward those proposals for consultation soon.

Anne Moffat: Although I am sure that my right hon. Friend agrees that the database is a breakthrough in modern policing in the country, does she also agree that young people, and particularly children, need to be dealt with sensitively?

Jacqui Smith: My hon. Friend raises an important point, and that is why I announced in December our intention to remove all those aged under 10 from the database. That has now been carried out. When we bring forward proposals to change the blanket approach to retention, we will give particular consideration to those aged under 18, and to how the protection of the public can be balanced with fairness to the individual.

Sir Patrick Cormack (South Staffordshire) (Con): There will be considerable relief about the fact that the Home Secretary is going to end this blanket policy, but can she assure the House that there will not be so many exceptions to the rule as to make the change worthless?

Jacqui Smith: I can, I hope, assure the House that that is the case, and we will ensure that we discuss the details of our proposals with colleagues in all parts of the House.

Chris Huhne (Eastleigh) (LD): The report published today by the Joseph Rowntree Reform Trust on the proliferation of 46 Government databases, including the DNA database, makes alarming reading. It suggests that a quarter of those databases are illegal under human rights or data protection law. What assessment has the Home Secretary made of the legality of the databases, and will she undertake a full review to ensure that they are proportionate and protect privacy?

Jacqui Smith: I believe that the databases referred to which are my responsibility are fully legal. I have repeated today that, notwithstanding the case of S and Marper, the courts found that the function of the DNA database in those circumstances was legal and important. Of course we need to maintain a proportionate approach to the way in which we use data to safeguard and protect the British public. That is what I spelt out very clearly that I would do in a speech that I made before Christmas, that is what we are doing, and that is what we are in the process of ensuring that we do through our proposals and consultation.

Mrs. Madeleine Moon (Bridgend) (Lab): When compiling my recent parliamentary report, I issued a questionnaire asking people in Bridgend whether they supported the development of a national database. Of those who responded, 89 per cent. supported it. However, the questionnaire also asked whether the details of people who had been found innocent should be kept on the database. In this instance, 59 per cent. thought that those details should be removed, while 41 per cent. felt that they should be retained. There seems to be a lack of clarity in regard to the implications of the retaining of databases—

Mr. Speaker: Order. I hope that the hon. Lady is going to ask a question.

Mrs. Moon: I am, Mr. Speaker. Does my right hon. Friend agree that there needs to be a clear dialogue with the public about the use of the national database in solving not just current crimes, but old crimes?

Jacqui Smith: I agree that we need to be open about how we proceed with our proposals. I have been very clear about that. However, I am sure that people in my hon. Friend's constituency would be interested to hear of cases such as that of Abdul Azad, who was arrested for violent disorder at his Birmingham home in February 2005. A DNA sample was taken, and he was subsequently released without charge. In July that year, a stranger rape occurred in Stafford, 25 miles away. There were no clues until skin from beneath the victim's fingernails was profiled and found to match the DNA taken from Azad. The senior investigating officer commented that

"we would never have caught him had his DNA not already been on the database—he didn't even live locally so we had no intelligence leads either".

Azad was jailed for six years for sexual assault.

Mr. David Heathcoat-Amory (Wells) (Con): What does the Secretary of State say to Mr. Daniel Baker, a constituent of mine who was a victim of mistaken identity? He was never charged with any crime and is entirely innocent, but the police are retaining his DNA against his wishes. When will the Secretary of State start recognising the liberties of the individual, and stop regarding everyone in the country as a suspect?

Jacqui Smith: I think that the case study that I cited a minute ago identified some of the important benefits of DNA retention. There are real-life cases in which people have been made safer by the retention of DNA post-arrest. Of course, the right hon. Gentleman's constituent can apply to the police force, in exceptional circumstances. That is why I am sure that the right hon. Gentleman will look closely at our proposals for a more proportionate way of dealing with the retention policy.

Mr. David Winnick (Walsall, North) (Lab): While I recognise the merit of what has been said by the right hon. Member for Wells (Mr. Heathcoat-Amory), was it not DNA evidence that led to the release last week of someone who had been wrongly convicted of murder, and who had served 27 years in prison? So much for the point made at the beginning of Question Time by the hon. Member for Forest of Dean (Mr. Harper).

Jacqui Smith: My hon. Friend is absolutely right. The case of Mr. Hodgson last week demonstrates how the DNA database and the use of DNA can prove people innocent after a period of time, and also how it can ensure both that innocent people are removed from an investigation at an early stage so that they receive justice, and that important police resources are not used up on false investigations or investigations that will not come to a conclusion. Those hon. Members—they are largely on the Opposition Benches—who throw up their hands in outrage at the idea of the DNA database need to have a sensible answer as to how we will make up for the difference made each month when more than 3,000 matches on the database provide the police with the ability to investigate and bring to justice criminals, including some who are convicted of the most serious offences in this country. Opposition Members may for political reasons want to throw that opportunity away, but I do not think the British people want to see that protection done away with.

Chris Grayling (Epsom and Ewell) (Con): This is a very straightforward and simple issue. It is, right now, illegal to store the DNA of innocent people over long periods on the DNA database, but as of today, the Government are still doing that. Why?

Jacqui Smith: I have made it very clear to the hon. Gentleman that we have looked in detail at the judgment in the case of S and Marper and we will bring forward proposals very soon—and when we do so, I hope that Opposition Members will engage with them with slightly more sophistication than they have done today.

Chris Grayling: But this is illegal now, today. Furthermore, it is a principle in our society that people are innocent until proven guilty. This Government have a habit of throwing away many principles in this society, but that is one that should be sacrosanct. In the case of the DNA database, however, they appear happy to abandon the principle. They are also happy to store the data of babies and children. Their actions are clearly morally and legally wrong. Why will they not just stop keeping this data illegally, right now, today? Why will they not stop now?

Jacqui Smith: As the hon. Gentleman knows, there is a period of time during which, quite rightly and reasonably—not least given that the Government's approach to the retention of data was upheld in the UK courts—there is consideration and proposals are brought forward. That is what the Government are doing, and he obviously was not listening when I said that no DNA of children under the age of 10 is kept on DNA databases now.

Dr. Nick Palmer (Broxtowe) (Lab): Does not the Home Secretary agree that there is a distinction to be drawn between people who have come under reasonable suspicion but for one reason or another are not prosecuted, and instances such as the one we heard about earlier from the Opposition Benches, in which there is a clear case of mistaken identity? Nobody suggests that the other police records of suspects, such as interviews and evidence, should be destroyed just because the suspect is not charged. Does she not agree that a reasonable course of action would be to have an independent body—not the police—that can be appealed to and which can see whether there is a clear case of mistaken identity and whether the person's DNA ought to be removed?

Jacqui Smith: My hon. Friend is engaging seriously with the difficult issues involved in this debate. It is important to put it on record that the entry of a profile on the DNA database does not cause any detriment to an individual in seeking to do a particular job or looking for clearance for anything, for example. In that way, it is very different from having a police record. I think people are sometimes unclear about that distinction. My hon. Friend makes an important point about the blanket approach taken to retention. That is why in the consultation and proposals we will bring forward, we will look at a system of stepping down individuals over time in terms of the retention of their profile, and a differentiated approach, possibly based on age, risk or the nature of the offence involved.

Illegal Immigrants

4. **Mr. Douglas Carswell** (Harwich) (Con): What recent estimate she has made of the number of illegal immigrants resident in the United Kingdom. [264798]

The Minister for Borders and Immigration (Mr. Phil Woolas): Since the phasing out of embarkation controls from 1994, no Government have ever been able to produce an accurate figure for the number of people who are in the country illegally. However, with the implementation of our new e-borders system, which the Opposition oppose, by 2010 more than 95 per cent. of non-European economic area foreign nationals will be counted in and out of the country, and that will rise to 100 per cent. by 2014. This is part of the programme of border protection that also includes the global roll-out of fingerprint visas, watch-list checks for all travellers before they arrive or depart from the UK, and identity cards for foreign nationals.

Mr. Carswell: Ministers will recall that many thousands of illegal migrants were found to be working in the security industry, yet last month it was revealed that a mere 35 had been removed. Will the Minister specifically update the House on how many more have been removed since?

Mr. Woolas: I congratulate the hon. Gentleman on repeating that question. The answer is on the record—if he wants further details, I shall, of course, write to him.

Jeremy Corbyn (Islington, North) (Lab): The Minister will be aware that there are a number of people who have been in this country for a long time without papers, but who nevertheless make a huge contribution to our society, have children and families here and, under article 8 of the European convention on human rights, have a right to family life. Will he look sympathetically at these cases, so that those people, who are making a good contribution to our society, can be brought completely into the fold, as opposed to having to live a semi-legal existence?

Mr. Woolas: Of course, if a person remains in the country illegally and has not been removed, but through no fault of their own, they are in a different situation. I note that my hon. Friend supports the ideas of the Mayor of London, Boris Johnson, in calling for an amnesty in such cases. Our objections to that are first that it is unfair to those who are here legally and are contributing, and secondly that we fear it would act as a further pull factor for even more attempts at illegal immigration.

Mr. Richard Benyon (Newbury) (Con): Two years ago, the Select Committee on Home Affairs took evidence, as part of its immigration services inquiry, from a number of people concerned about the large number of private adoptions, mainly from west African states, many of which never appear on immigration data. What steps have the Government taken since to follow up the recommendations of that report, which recognised the severe concerns of places such as the London borough of Southwark, where a large number of child welfare issues relating to this issue are starting to manifest themselves? What may appear culturally okay to some communities is certainly not okay when it is causing serious child welfare problems in this country.

Mr. Woolas: The hon. Gentleman raises a very important issue, which all Members of the House would recognise, and, as ever, we are grateful to the Home Affairs Committee.

A number of policy measures have been put in place on the treatment of children in such a situation, including the identification of parents and of guardians; the work with the local authorities that stemmed from the policy issue; and country-by-country plans—he referred to cultural differences—on which there has been particular co-operation with the Nigerian Government, as Nigeria is one of the main countries we deal with.

Andrew Mackinlay (Thurrock) (Lab): Surely the real problem the Minister needs to address is the gross incompetence of Lunar house in dealing with people who have been here so long that they are now parents—they are married to United Kingdom citizens and have English children—yet still cannot get their status regularised. We all know that they are not going to be put out of the country, so why cannot we just address the problem? I encounter hundreds of such cases every year, and I believe my constituency ranks 60th on this issue. Clearly, there is chaos out there and he ought to go down to Lunar house this afternoon to sort it out.

Mr. Woolas: All Members of the House will have recognised frustration over these processes in the past. Together with the Under-Secretary of State for the Home Department, my hon. Friend the Member for Hackney, South and Shoreditch (Meg Hillier), to whom I am sure we would all want to send our best wishes for her pregnancy, we have seen an improvement in the processing—the backlog is being dealt with better and more quickly, which is what my hon. Friend the Member for Thurrock (Andrew Mackinlay) is requesting. We will update the Home Affairs Committee with the latest figures very soon.

Simon Hughes (North Southwark and Bermondsey) (LD): In answer to the first question the Minister noticeably did not give an estimate of the number of illegal immigrants here. Can he help us with other figures? How many of the people, in one category or another, who are here illegally have been here for more than 10 years, and how many other people's cases are being dealt with by the Home Office but have not been finally resolved?

Mr. Woolas: The hon. Gentleman pushes and probes me about how many illegal immigrants there are. The answer to that question, as Ministers through the decades have said, is that by definition one does not know. If one did, one would be able to deal with it—

Andrew Mackinlay: I'll swap jobs with you!

Mr. Woolas: My hon. Friend suggests a job swap, but I am not going down that road.

The Government's successful attempts to reintroduce counting in and counting out—border controls—mean that, for the first time in decades, we will be able to answer that question. We will therefore be able to deal better with the hon. Gentleman's second question, the answer to which is not straightforward, because one does not know until one does the cases how many duplicates exist both within our system and with other European Union countries. I note that the hon. Member for Epsom and Ewell (Chris Grayling) opposes our border control measures, and I just ask him how he would control immigration in that respect.

UK Human Trafficking Centre

5. **Mr. Anthony Steen** (Totnes) (Con): If she will take steps to ensure that the UK Human Trafficking Centre provides training courses on human trafficking for all police forces. [264799]

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Vernon Coaker): The UKHTC, in conjunction with the National Policing Improvement Agency, has developed a training programme on human trafficking for all new police recruits, police community support officers, special constables and community officers as part of their core training. In addition, the UKHTC will provide continuous development for the current single points of contact in each force.

Mr. Steen: In view of the number of trafficked women who have been found outside city centres following police raids under Pentameter 2 and the fact that only one police officer out of 3,500 in Devon and Cornwall constabulary has been on a training course and understands anything about trafficking, can the Minister explain why that force was told recently that the UKHTC will no longer do any training? What are the police supposed to do?

Mr. Coaker: Representing the constituency that he does, the hon. Gentleman is right to make the general point that the victims of human trafficking are not concentrated only in city centres. The evidence from Pentameter 2 was that they can be found in any area of the country, urban or rural. The hon. Gentleman says that only one police officer in his local force has been trained, but he might be referring to the single point of contact. Every police force in the country has a single point of contact, but numerous police officers receive training in human trafficking. For example, every police officer in the country has been sent a DVD produced by UKHTC to raise awareness of the issue. Training in human trafficking is given in the initial police learning and development programme, the special constable initial programme and the PCSO programme. That will be fully in place by the end of this month, and by the end of the year it will be extended to initial training for detectives, domestic violence training, public protection officer training, road policing training and the National Policing Improvement Agency trafficking and senior investigating officer training. That will all be overseen by the UKHTC, and plenty of work is being done to ensure that police officers are aware of that horrible crime, should they come across it.

Fiona Mactaggart (Slough) (Lab): Will my hon. Friend have a discussion with the Association of Chief Police Officers to try to ensure that police are trained to implement the new prostitution offences in the current Bill in a way that encourages men to report trafficking? The police will need to be trained to do that properly. Will he discuss with Tim Brain or the relevant chief constable how to ensure that that happens?

Mr. Coaker: I thank my hon. Friend for that extremely important question. I shall speak to Tim Brain, chief constable of Gloucestershire, about this matter should the new strict liability offence in the Policing and Crime Bill go through. As the hon. Member for Totnes (Mr. Steen)

said, it is one thing to have laws in place, but it is another to ensure that police officers have the training and the confidence to use them.

Although the new strict liability offence is controversial, by changing the way we look at such things and by putting the onus in most circumstances on the man, for the first time, to consider whether the person whom he is paying for sex is being exploited or has been trafficked, we will get a lot further with tackling this crime than we have before. I shall certainly talk to the relevant police officers.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Will the Minister kindly update the House on his conversations with his counterparts in the countries from which many of these people are trafficked? Will he comment in particular on whether any progress has been made in ensuring that those countries take this crime as seriously as it ought to be taken?

Mr. Coaker: In the EU—as we know, some trafficking occurs within the EU—there has certainly been a lot of discussion. The EU trafficking action plan was published just over a year ago. There have been other discussions. The Under-Secretary of State for the Home Department, my hon. Friend the Member for Tynemouth (Mr. Campbell), attended a conference in Brazil recently where all the countries came together to discuss child exploitation and trafficking. We are supporting numerous charities as they try to highlight the fact that in some countries some offers that seem too good to be true are too good to be true. I expect and hope to go to China and Vietnam in the not-too-distant future to raise the issues there. This is a huge problem that needs global action, not just at EU level but at United Nations level, so that we can ensure that we raise awareness not only in this country but across the globe.

Points-based Immigration System

7. **Barry Gardiner** (Brent, North) (Lab): What progress has been made on the implementation of the points-based immigration system. [264801]

The Secretary of State for the Home Department (Jacqui Smith): The points-based system is the most radical reworking of the immigration system in a generation, consolidating approximately 80 work and study routes into five simple tiers. Tiers for highly skilled, skilled and temporary workers have been implemented. The student tier will be introduced later this month. The tier for low-skilled workers is suspended indefinitely.

Barry Gardiner: Many of my constituents enjoy performances by artists who come over under tier 5, yet they have noticed in recent months that there has been a discrepancy in the application of the criterion that states that they should be employed on national minimum wage minimum rates. Sometimes, higher rates are being demanded in order for them to obtain the necessary visas. Will she look into this and ensure that the criteria are applied rigorously and that too much discretion is not being applied?

Jacqui Smith: The relevant codes of practice for performers who come in under the tier 5 criteria indicate that the salary paid should meet the industry minimums, rather than the national minimum wage. They are the standard payment rates set out in the collective agreements of Equity and the Musicians Union, negotiated with other industry bodies. I am sure that notwithstanding the pleasure gained by my hon. Friend's constituents from performers who come here from overseas, he would not want such performers to be exploited or for high-quality UK performers to be undercut in their opportunities to provide entertainment for his constituents.

Mr. Julian Brazier (Canterbury) (Con): The Government have allowed 750,000 work permits over the past five years, four times the previous rate. What steps are being taken to ensure that those from outside the EU who have completed some of those 750,000 visas have returned home before we accept further overseas workers during this recession?

Jacqui Smith: On work permits and the tier 2 situation, I have been very clear that the points-based system would have resulted in 12 per cent. fewer people coming in through that route. I have also been clear that that we will see a fall in the number of people coming in from outside the European economic area over the next year, not least because of the changes that we are making to the points-based system and the way in which we are raising the bar, particularly in terms of the level of skills that we expect from those coming into this country.

David Taylor (North-West Leicestershire) (Lab/Co-op): One of the core concepts of the points-based system is linking admission to acknowledged and accepted skills shortages in certain categories of job. As the economy tracks downwards, the shortages in some areas will shrink accordingly. How can the Home Secretary reassure the House that the system is sufficiently flexible to respond to rapidly changing economic circumstances?

Jacqui Smith: My hon. Friend raises a very important point about the precise flexibility that we have built into the system. We asked the Migration Advisory Committee, which determines which occupations are shortage occupations, to review the list. It will shortly report to us again on its current assessment of which occupations have shortages. Secondly, we have been clear that if an occupation is in shortage, it does not mean that the only approach should be for us to fill the shortage by bringing in migrant labour. That is why, working with my right hon. Friend the Secretary of State for Innovation, Universities and Skills, we have already determined that we will use the publication of the shortage occupation list every six months to trigger skills reviews for the jobs listed under those shortage occupations. We will focus on upskilling workers in the UK, making the UK less dependent, even for filling shortages, on migration in the future.

Damian Green (Ashford) (Con): This is a good opportunity for the Home Secretary to be honest about the points-based system. She tends to refer to it as the "Australian-style" points-based system, because we all admire the way in which the Australians deal with immigration. Did she notice that last week, the Australians, who put an annual limit on work permits, reduced that limit? They said that it was prudent to do so in a recession. Will she admit that a Conservative Government could follow that policy, because we will introduce an

annual limit, but that she cannot? Will she therefore stop trying to fool people into thinking that we have an Australian-style system? Only under a Conservative Government will we have Australian-style control over immigration numbers.

Jacqui Smith: On the contrary, I have already announced—I reiterated this today—that we have the ability, through the points-based system, to raise the bar. We will do that. The impact of that, alongside the economic circumstances that we face, will be fewer migrants coming to the UK from outside the EEA. We will successfully reduce the number of migrants coming in during these difficult economic times. If we are talking about honesty, as the hon. Gentleman favours a cap, although I do not know what sort of a cap it is—a UK Tory cap—perhaps he would like to give us some background. Perhaps he could say how many people he thinks the cap should cover, what its level should be, and how it could be made more effective, given that it would cover only one in four migrants to this country, whereas the points-based system covers half of them.

Topical Questions

T1. [264820] **Alison Seabeck** (Plymouth, Devonport) (Lab): If she will make a statement on her departmental responsibilities.

The Secretary of State for the Home Department (Jacqui Smith): We are on track to introduce identity cards this autumn, and we have already started to issue ID cards for foreign nationals. Next month, we plan to award two contracts for the national identity scheme: one to upgrade our passport application systems, and one for the biometric database to deliver the next generation of passports and ID cards. Later this year, we will award the ID contract itself. As is normal, the contracts have been written to protect the public purse, with standard clauses on what would happen in the event of termination. Cancellation of the ID cards contract, and partial termination of the application and database contracts, would cost about £40 million in the early years. Therefore, as I have made clear on many occasions, scrapping ID cards and the identity database will not free up a large fund of money to spend on other priorities.

Alison Seabeck: I thank the Home Secretary for that answer. She will be aware, because I have written to her Department, that Devon and Cornwall police force has decided not to discipline a police officer who used police cars for his own personal use. Does she share my concern, and the concern of my constituents, that that is an entirely inappropriate use of police property, and does she agree that action should be taken?

The Minister for Security, Counter-Terrorism, Crime and Policing (Mr. Vernon Coaker): I am aware of the case that my hon. Friend refers to, and I have written to her about it as I know it is a matter of concern to her. Perhaps I could meet her so that we may discuss it in more detail.

Pete Wishart (Perth and North Perthshire) (SNP): As the Secretary of State knows, Scotland is experiencing long-term population decline, which might well be made more difficult with the points-based system. Why does she not seriously consider the positive suggestion that skilled migrant workers be given extra points if they opt to go to Scotland, as opposed to one of the pressure points in England? That is what happens under the points-based system in Australia, where some states have had the same difficulties as Scotland.

The Minister for Borders and Immigration (Mr. Phil Woolas): Some of the skills shortages on the skills shortage list that Professor Metcalf identified apply in Scotland, but without the introduction of internal border controls—perhaps the hon. Gentleman would like to see that—

Pete Wishart: It happens in Australia.

Mr. Woolas: The last time I looked at a map, Australia was slightly bigger than the United Kingdom.

T4. [264823] **Mr. Jim Cunningham** (Coventry, South) (Lab): Will my right hon. Friend look into wheel clamping companies, particularly those that have been abusing the system? There are some reputable companies and some that are not.

Jacqui Smith: Yes, which is why I asked the Security Industry Authority to carry out a feasibility study into the regulation of wheel clamping companies. Although I know that there are legitimate companies operating in this area, there are, as many Members have seen, too many companies that operate to the detriment of our constituents, that are roguish, to say the least, and that should be regulated. We will introduce proposals for regulation in the near future.

T2. [264821] **Jo Swinson** (East Dunbartonshire) (LD): Although some aspects of the new e-Borders system, such as reinstating exit checks, are welcome, there is widespread concern about the extent of the data that will be collected, so will the Secretary of State clarify exactly what information will need to be provided by innocent citizens travelling abroad, and for how long it will be held?

Mr. Woolas: I thank the hon. Lady for giving me the opportunity to answer that question. The e-Borders programme has been running for four years, and the data collected and the use to which they are put is and has been available for some time on the Home Office website and in agency information. I can reassure the hon. Lady that the data are not misused, as some have rather mischievously alleged, but I come back to my point in answer to the spokesman for the Opposition, the hon. Member for Ashford (Damian Green), that immigration controls and management are possible only if there is counting in and counting out, which requires a data base.

T6. [264825] **Mr. Graham Allen** (Nottingham, North) (Lab): As a result of the great efforts of the police, the crime and drugs partnership, and the local strategic partnership, One Nottingham, the number of crimes in Nottingham over the past three years has fallen by 26,000, saving the taxpayer £52 million. Will my hon. Friends have a word with their Treasury colleagues and ask whether we can incentivise cities such as

Nottingham and enable them to borrow against that saving, and perhaps create a Nottingham investment bond, to push crime down further and give people some tangible reward when they do a good job of reducing crime?

Mr. Coaker: That is an interesting idea from my hon. Friend, and I will talk to Treasury colleagues. I am not sure—or perhaps I am sure—what the answer will be, but I will speak to my colleagues in the Treasury about it. Obviously, I know Nottingham well, as that is where my constituency is. I congratulate my hon. Friend on the work that he has done with One Nottingham, and Alan Given and everyone else on their work running it. Crime has dropped significantly in Nottingham as a result of the work that my hon. Friend and others associated with One Nottingham have done. One of the most important things to which my hon. Friend draws attention and to which One Nottingham has drawn attention, is that not only is enforcing the law important, but that if we are to bring about change over time, the early intervention that my hon. Friend has pioneered and passionately argued for time and again is crucial. Breaking the cycle of crime and deprivation is surely one of the great social challenges that we all face.

T3. [264822] **Mr. Paul Burstow** (Sutton and Cheam) (LD): Will the Home Secretary or the Minister take a careful look at the case of the Rizk family, who face the prospect of being deported to an uncertain future in Egypt? Their son Marin has autistic spectrum disorder, for which there is no specialist provision in that country; the family fear discrimination as a result.

The family run a successful supermarket in my constituency, and because of their hard work they have mobilised community support. More than 900 people have signed a petition supporting them. Will the Home Secretary or the Minister meet me to discuss the case, and particularly the family's fear of discrimination?

Mr. Woolas: Of course I will meet the hon. Gentleman if he wishes to push the case of his constituents; it is right that he should ask, and right that I should meet him. From his campaign, I have become personally familiar with some of the details of the case. I simply say, although not directly in relation to this case, that when such concerns are raised by hon. Members, they come after the independent judicial tribunal system has looked at the relevant situations. However, I will make arrangements to meet the hon. Gentleman.

T5. [264824] **Mr. Andrew Robathan** (Blaby) (Con): Does the Home Secretary think it appropriate for MPs to intervene to stop judicial proceedings before the High Court? In particular, did she think it appropriate for the Chairman of her departmental Select Committee to intervene in the case of—

Mr. Speaker: Order. I must stop the hon. Gentleman. The purpose of Question Time is to question Ministers on their actions, not to criticise a right hon. Member of the House. That is not what Ministers are here for, and it is wrong of the hon. Gentleman to make such comments.

T8. [264827] **Barry Gardiner** (Brent, North) (Lab): Will my right hon. Friend look carefully at the statements made by the Prime Minister and the Foreign Secretary about the possibility of genocide and human rights abuses in Sri Lanka when she next considers the status of the Liberation Tigers of Tamil Eelam on the list of proscribed organisations in the UK?

Jacqui Smith: The proscription of every proscribed organisation is reviewed annually. Those reviews seek to establish whether the organisation remains concerned with terrorism according to the definitions set out in the Terrorism Act 2000, and therefore whether the proscription should be maintained. The status of the LTTE has been reviewed in the past six months as part of that process. It is open to anybody affected by an organisation's proscription to apply to me for the removal of the organisation from the proscribed list.

Bob Russell (Colchester) (LD): There are now nearly 100 special constables in Colchester. The number has been boosted significantly in the past year under a system whereby the local business community releases staff in company time to train quickly to become special constables. May I ask the Home Secretary about what measures the Government are taking to roll out that successful programme across the country?

Mr. Coaker: The hon. Gentleman is right; the specials do a really important job in policing our country. He is also right to point out the existence of employer-supported policing programmes as a further development. The Home Office has funded nine regional co-ordinators across the country, based in each police region. It will be their responsibility to ensure that we recruit not only more specials but more employers to the cause, so that they release people to become specials in their communities. As the hon. Gentleman will know, the commitment is to pay those employees at their normal wage for at least two days a month, so that they can conduct special policing. I should also say that the Home Office has also taken part in the scheme; 12 Home Office staff work as special constables. I hope that that answers the hon. Gentleman's question.

T10. [264829] **Siobhain McDonagh** (Mitcham and Morden) (Lab): Dealing with antisocial behaviour in Mitcham town centre is a top priority for the Figges Marsh safer neighbourhood team. Can my right hon. Friend understand why Merton council officials and police officers, none of whom lives in the area, decided not to renew the dispersal zone—and without consulting local residents, local councillors or me, the local MP?

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): As my hon. Friend will know, dispersal orders are time-limited and their renewal depends very much on the effect that they have had on the problem concerned. Our view is that such decisions are best resolved locally by police, working with local agencies and residents.

John Bercow (Buckingham) (Con): In an interdependent world economy, a regular, though limited, flow of migrant workers is inevitable, necessary and desirable. Given that immigration policy should be driven at least in part by considerations of economic need, and certainly not by the worst prejudices of the tabloids, can the Home Secretary confirm that the advisory report submitted to her by the Migration Advisory Committee, the better to inform public policy, will always be published?

Jacqui Smith: We set up the independent Migration Advisory Committee precisely to provide the evidence to enable the flexibility within the points-based system that allows it to be used as we designed it to be used—for the benefit of the UK. Yes, we do publish the committee's reports.

Rob Marris (Wolverhampton, South-West) (Lab): I welcome the long overdue reintroduction of embarkation controls. Can the Minister tell me for how long those data will be kept?

Mr. Woolas: The programme has been running for four years; following its pilot project, we are now rolling it out. There are two sources of data within that, and they are kept for 10 years.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Returning to the DNA database, the Secretary of State will know that West Midlands police took a DNA sample from me after the death of my uncle, Leslie Ince, in February 2007. After a two-year-long murder inquiry, the police now maintain that he died accidentally. Why, despite three written requests over the past 18 months, am I still being refused the return of my DNA sample? Does she agree that, like hundreds of thousands of others, my connection to any crime is extremely remote? Indeed, I am now told that there was no crime. Does she not understand why hundreds of thousands of innocent people are led to the inexorable conclusion that she is building a national DNA database by stealth?

Jacqui Smith: No, I am building a national DNA database that enabled us, last year alone, to solve 17,614 crimes, with a further 15,000 detections. On more than 3,000 occasions every month, the police are enabled to help to solve crimes, to clear the innocent, to pursue investigations effectively, and to keep this country safe.

Spring European Council

3.32 pm

The Prime Minister (Mr. Gordon Brown): With permission, Mr. Speaker, I shall make a statement on the European Council held in Brussels last Thursday and Friday, which I attended with the Chancellor and the Foreign Secretary, and which once again emphasised the importance of European and international co-operation to address this financial crisis.

In October and November, all European and then G20 countries agreed to recapitalise the banks. In November, both the European Union and the G20 agreed on co-ordinated fiscal action to support employment and growth. Just as in the previous summit in December, Europe led the way towards a global climate change deal, which we hope to secure in Copenhagen later this year. Europe has now made proposals in advance of the G20 meeting in London to reshape the global financial and trading system and to do what is necessary to build economic recovery across the world.

First, we agreed that the global challenges we face today cannot be met if nations turn inwards to a protectionism that—history tells us—in the end protects no one. Our agreement to

"avoid all forms of protectionist measures"

will require careful monitoring by the World Trade Organisation. The Council agreed to encourage international trade by facilitating more trade credits, and the Council called for a

"swift conclusion of bilateral trade negotiations and of the...Doha Development Agenda."

Secondly, we agreed measures to put to the G20 for global agreements to reshape the regulation of banks and financial services. We agreed that all systemically important institutions should be subject to appropriate regulation and oversight, and that this would extend to include hedge funds and the shadow banking sector. We pledged to protect the world's financial system from non-transparent, non-co-operative and loosely regulated jurisdictions, including offshore centres and tax havens. We welcome the progress that has already been made by Switzerland, Austria, Andorra, Lichtenstein and other countries, and look forward to seeing them implement the international standard—*[Interruption.]*

Mr. Speaker: Order. The way we do things is that we hear the statement that the Prime Minister has to make, and then questions are asked of him.

The Prime Minister: We call on all countries yet to endorse the OECD standard to do so urgently.

The Council also agreed to improve supervisory co-operation by pushing forward with colleges of supervisors for all major cross-border financial institutions. We also agreed to adopt international principles on remuneration in the financial sector, based on an approach that rewards long-term success rather than excessive risk-taking. We called on the Council and the European Parliament

"to rapidly reach agreement on the legislative acts relating to credit rating agencies, the solvency of insurance companies, the capital requirements for banks, and cross-border payments and electronic money".

At its next meeting in June, the Council will take its first decisions on regulation and supervision following the de Larosière report. Our policy is that regulatory rules should be set at an international level but that direct supervision is a matter for our national authorities.

The Council was clear that by acting together, the European Union can

"put its financial sector on a sound footing, get credit flowing to the real economy and protect its citizens from the worst impacts of the crisis",

as well as helping to build a stronger economy for the future. The Council welcomed the Commission's proposal to double, to €50 billion, balance of payments assistance so that those within the European Union have the support they need to deliver the fiscal stimulus required to ensure their recovery. But with global capital flows in 2008 down by more than 80 per cent. compared with 2007, and with the financing gap for emerging economies this year up to $800 billion, this is not just an issue for central European, eastern European and emerging economies. Because of the continuing risk of contagion, it is an issue for every country in the world. It is vital that we increase the resources available to the International Monetary Fund to ensure that it can intervene to stabilise economies, stop the crisis spreading, and return the global economy to growth.

The Council called for a very substantial increase in resources available to the IMF, and agreed that, for their contribution to this increase, EU member states should as a first step provide on a voluntary basis a fast temporary support of IMF lending capacity in the form of a loan of over $100 billion. The Council called for continued

"international coordination of fiscal stimulus measures."

It agreed that:

"Good progress has been made in implementing the...Economic Recovery Plan",

and that while we must ensure fiscal sustainability in the medium term,

"the size of the fiscal effort (around 3.3 per cent. of EU GDP or over €400 billion) will generate new investments, boost demand, create jobs and help the EU move to a low-carbon economy."

We agreed a further €5 billion to be invested in stimulus projects in energy security, renewable energy and broadband. The agreement provides for at least €220 million of additional investment in UK carbon capture and storage and offshore wind projects.

We have seen an unprecedented fiscal injection in almost every major economy: in France, a package worth €26 billion with further recent measures worth €2.6 billion; in Spain, an infrastructure package worth €11 billion alongside other measures, with the IMF estimating a total stimulus of 2.3 per cent. of GDP; and in Germany, not one but two fiscal stimulus packages totalling €82 billion—1.5 per cent. of its GDP this year and 2 per cent. of GDP in 2010. As the Council concluded, Europe's determination is

"to do what is necessary to restore jobs and growth."

The Council also reached important conclusions on energy security and climate change, on the eastern partnership and the relationship with the United States. The Council remains committed to working for a worldwide and comprehensive climate change agreement in Copenhagen. Following the December council, Europe

[The Prime Minister]

became the first continent in history to make legally binding the detailed policies required to set itself on a path to a low-carbon economy. There is a commitment to a 30 per cent. reduction in emissions, provided that other countries make comparable commitments according to their capabilities. But our success in Copenhagen will depend on unlocking negotiations with developing countries. The Council therefore agreed that within the framework of a future comprehensive climate agreement, the European Union will take on its fair share of financing for green technologies, reducing deforestation and protecting the poorest from the impacts of climate change.

The global economic downturn is no time to walk away from our commitments to the developing world. The Council agreed that Europe should continue to play a leading role in supporting developing countries in order to avoid jeopardising the progress achieved in recent years and undermining their economic and political stability. The Council agreed that commitments to increase development assistance and to deliver on the millennium development goals must be honoured. The Council also emphasised the importance of promoting stability, good governance and economic development in the eastern neighbourhood.

Finally, in looking ahead to the informal EU-US summit to be held in Prague next month, the Council welcomed the inauguration of President Obama and reaffirmed the strategic importance of transatlantic relations. At this moment of international economic crisis, we are showing that Europe and the world can work together to achieve co-ordinated interest rate cuts, substantial fiscal stimulus, banking reform, new rules for tax havens and new rules for remuneration. I commend this statement to the House.

Mr. David Cameron (Witney) (Con): Before asking the Prime Minister about his statement today, may I ask him about reporting back to the House on the outcome of next week's G20? Given that it is taking place on the day when the House rises, will he consider making a statement that evening?

Before turning to the economy, I welcome what the Prime Minister says in the communiqué about the climate change agreement in Copenhagen. I also agree with what he says about the importance of not walking away from developing countries at this time.

On the economy, I want to ask about trade, financial reform and the recession in Europe. First, on trade, this communiqué talks about the importance of the Doha round, but frankly, so did the last one and the one before that. Since then we have seen "Buy America" programmes from the US Congress, higher agricultural tariffs in India, French Ministers boasting of repatriating jobs from Slovenia back to France and the Prime Minister talking about "British jobs for British workers". The task of the London summit should be urgently to agree the key issues of the Doha round. That should be the key aim. Will the Prime Minister confirm that the existing trade rules in fact allow countries to double their revenues from tariffs? Is freezing existing tariffs not a pretty minimum acceptable outcome for the London summit?

Secondly, on financial rules and financial reform, we need rules that force banks to hold more capital when the economy is strong. We have been pressing for such counter-cyclical capital requirements for more than a year now. Will this communiqué mean that that actually happens, and do we not need the same sense of urgency when it comes to the supervisory colleges of regulators? The Prime Minister's office announced that they would be established by the summer, but the communiqué is now talking about it happening by the end of 2009. Can the Prime Minister tell us whether the deadline has slipped?

I agree with the Prime Minister that it is better to have co-ordination than a single European regulator that overrides national regulation, but would it not be easier to resist such a European regulator if he would accept that the tripartite system that he put in place in 1997 simply has not worked and needs reform? Does he not need to admit that clearly and frankly today?

Next, on recession in Europe, the Prime Minister repeatedly lectures everyone in this House and beyond that he is uniquely forging a consensus in Europe on how to deal with recession. Does not that claim now look completely ridiculous? Are there not three examples of that? The first is whether we in Britain can afford a fiscal stimulus, the second what that stimulus should consist of, and the third whether he is any good at actually implementing the measures that he has announced. Let me take each in turn.

Emily Thornberry (Islington, South and Finsbury) (Lab): Is this a question or a statement?

Mr. Cameron: There will be a question if you are patient.

Is it not remarkable—that is a question—that today the CBI, which is the organisation responsible for representing businesses large and small, said—*[Interruption.]* Labour Members should perhaps spend a bit less time filling out their expenses and listen to the CBI. The CBI said that

"a further significant fiscal stimulus is unaffordable and would lead to businesses and households retrenching".

Instead, the CBI says, the Chancellor needs to

"deliver a clear and credible"—*[Interruption.]*

Mr. Speaker: Order. Mr. Austin, for a few months you have been quiet, and now you have begun to shout again. You just cannot do that. I keep telling you that you cannot do it. By the way, Ms Thornberry, the right hon. Gentleman is in order. If he were out of order, I would be the first to tell him. It would not be you telling him, it would be me. How is that?

Mr. Cameron: Thank you, Mr. Speaker. I thought the hon. Gentleman was getting better, too, but I am an optimist.

The CBI says that the Chancellor

"needs to... deliver a clear and credible plan for restoring the public finances to health".

Is not the CBI right and the Prime Minister wrong?

Last week, we had the worst set of public finance figures in our peacetime history. We are forecast to have the largest budget deficit of any G20 economy next

year—almost twice as large as for the G20 as a whole. Is the view in Europe not clear? As the German Chancellor says:

"We should not be competing for the most unrealistic fiscal stimulus".

Is she not right?

Let me put it another way. This week, the Prime Minister goes to south America. Will he confirm that only one country in the whole of south America entered recession with a higher deficit than Britain—not Argentina, not Paraguay, not Uruguay and not Ecuador, which all managed to balance the books better than the Prime Minister? Is it not something when the British Prime Minister has to go to a conference in Latin America to get a lecture on fiscal responsibility and prudence?

The Prime Minister is criticised in Europe for not only affordability, but the make-up of his stimulus. No one else is copying his policy of cutting VAT. Indeed, the consensus in Europe is that it made things worse. The French President said:

"We won't be repeating Gordon Brown's mistakes"

and that the VAT cut had "absolutely not worked". The German Finance Minister said that the debt will take a generation to pay off.

The Prime Minister is not only wrong about affordability and VAT; everyone thinks that he is getting implementation wrong, too. Can he not see that, when his various schemes exist only in a press release, they do not help build confidence and instead destroy it? The home owners mortgage support scheme and the recruitment subsidies for the unemployed were announced months ago, but are still not available. Should he not listen to the German Chancellor, who said that

"if we want to make a real impact, you really must implement the package first before you talk about the next step"?

Instead of listening to his lectures, we should all be clear about what the Prime Minister is delivering—a longer recession than the United States or the eurozone, the fastest rise in unemployment since records began and the worst public sector deficit in British peacetime history. When will the Prime Minister understand the need for change? Should that change not start with his acknowledging properly and apologising for the mistakes that have led this country to that position? Is it not time to start now, with "Sorry"?

The Prime Minister: I will deal with each point in turn, but is the central point not that, in the face of a global recession, unemployment and a loss of output, alone in Europe and alone in the rest of the world, isolated even from the Conservative party in Europe, the Conservatives' only response to the recession is to cut public services and public spending, except for the £200,000 that 3,000 people will get in inheritance tax?

Our priorities are to raise the pension for everyone, which we are doing; to raise child benefit for everyone, which we have done; and to ensure a VAT cut for everyone. The Conservative party's policy is a £2 billion tax cut for the smallest number of people in Britain—the 3,000 people who will benefit from an inheritance tax cut. Is it not time for the Conservatives to face up to the fact that their policy is a 6p a week cut in the licence fee for the many and a £200,000 cut in inheritance tax for the few? Usually in times of difficulty, the few who have money help the many; only the Conservative party says that, in times of difficulty, the many should come to the aid of the few. *[Interruption.]* What am I on about? I am on about the Conservative policy, which Conservative Members say is a priority. At a time of crisis, they say that there is nothing for pensions, nothing for child benefit, nothing for public services except cuts, but tell us today that they are going ahead with an inheritance tax cut, which will help 3,000 people and give them £200,000 each. At least the shadow shadow Chancellor spotted that that was a difficulty, but he is not here because he is so out of synch with the Conservative party. He disagrees on VAT, the married couple's allowance, Europe, and now the inheritance tax cut. The Conservative party is out of touch with the rest of the country. *[Interruption.]* They will have to face up to that one day—their priority is an inheritance tax cut for the few, whereas ours is to help the many.

As to trade—[Hon. Members: "Hooray."] I know that the Conservatives are grateful that we have moved off what I will be coming back to in a minute. As to trade, we are working with the developing countries to see whether we can get a trade deal, but I have to tell the right hon. Gentleman that the problem is not Britain or Europe. The problem on the trade deal—as he would see, if the Conservatives were serious about it and if they wanted to face up to it—is that we have to get an agreement between America and India on very difficult and sensitive negotiations, which we are trying to move forward.

As for the colleges of supervisors, which the right hon. Gentleman mentioned, I have to tell him that instead of none having been established, as he said, 25 colleges of supervisors have been established to cover the financial institutions right across the world.

As far as delivery of policies is concerned, the right hon. Gentleman might want to notice that 90,000 companies are already benefiting from the schemes that we have put in place. He might want to know also that large numbers of people are benefiting from the greater support that we are giving in income support to those who are unemployed and who need help with their mortgages. None of those policies is supported by the Conservative party.

As for the right hon. Gentleman's quotations of Chancellor Merkel, President Sarkozy and other European leaders, is it not remarkable that he is trying to quote them in evidence the week after he walked away from the European People's party and linked up with the Czech forum, which says that there is no problem with climate change, and the Polish party of law and order—*[Interruption.]* I have to say to the Conservatives that they are isolated from the German Christian Democrats, that they are isolated from the French Conservative party of President Sarkozy and that they are now isolated from the party of Mr. Berlusconi in Italy. The Conservatives are out of touch with the European mainstream—so much so that the President of the Commission has criticised them, as has the President of the Parliament, and the chambers of commerce have said that it is a matter of regret that they are moving to the fringes in this country.

As for the delivery of policies, let me be absolutely clear that in every area in which we are working, we are trying to move forward, but that requires money. The only party that is refusing to support a fiscal stimulus is the Conservative party. It is the Conservatives who are

[The Prime Minister]

out of step with Europe; it is they who are out of touch with public opinion; and it is they who are out of their depth when it comes to dealing with the economy.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I thank the Prime Minister for his statement, in which there is much to welcome. The principle of a common European framework of regulation in financial services is a significant step forward, and one that we have been advocating for many years. There will continue to be differences in detail—he alluded to them himself—but the principle of cross-border regulation of cross-border finance will be welcomed by all but the most small-minded Eurosceptics. The eastern partnership with countries such as Georgia and Ukraine is also welcome, not least because of Russia's sometimes belligerent attitude towards its neighbours.

I remember in years gone by that the whole of Europe would groan every time the Prime Minister made another tub-thumping speech about how superior his policies were to everybody else's, so it is good that the idea finally appears to have dawned on him that he does not have all the answers and that he might even have a thing or two to learn from our European Union neighbours. Is the problem not now that, even with a touch of new-found humility, it is hard for him to lead at the G20 summit and in the European Union, because he does not practise at home what he preaches to them abroad? Would his rhetoric about stopping protectionism not pack more of a punch if he had not indulged in populist rhetoric about "British jobs for British workers"? Would his words about cracking down on tax havens not be more compelling if he had not presided for 12 years over industrial scale tax avoidance by British banks and big businesses here in Britain?

When the Prime Minister tries to act as President Obama's agent in Europe and persuade his European counterparts to issue another fiscal stimulus, would those leaders not listen to him more if he had not blown £12.5 billion on his wasteful VAT cut? Would those leaders not be more likely to listen to his recommendation that economic recovery must be driven by green investment if he was actually making those investments at home, rather than talking—as he did the other week—about 400,000 fantasy green jobs, which he has no idea how to create? If he had used the VAT money, as we proposed, to invest in public transport and in a transformation of our housing stock, he could have created 100,000 new jobs starting right now.

It is becoming increasingly clear that it will be difficult for Britain to afford a sustained, major new fiscal stimulus to boost our economy. Is it not therefore clear that we must take drastic action to ensure that we stop wasting any more money on things that do not create jobs? Will the Prime Minister commit immediately to cancelling the VAT cut and investing what money there is left in green transport, in the insulation of our homes, schools and hospitals, and in jobs? Did he not wonder, as he looked round the table at the other EU leaders at the summit, why not one of them had copied his cut in sales tax? Will he admit that they were right to choose to invest money in jobs instead?

The Prime Minister: The right hon. Gentleman wants us to spend money on insulating homes, and we are doing that. He wants us to spend money on investing in schools, and we are investing more than in any previous year. He wants us to invest money in hospitals, and we are doing more than we have done. I thought that he would support the £44 billion of public investment that is being put into the economy, instead of failing to support it today.

As far as tax havens are concerned, in every Budget since 1997 we have tried to crack down on the use of tax havens. We have taken action that, since 2005, has secured £14 billion of funds that would otherwise have been lost in tax avoidance. We know that we have to get a global agreement, however, and that is why we are pressing other countries to sign up to the international standards that are necessary. That means that Switzerland, Liechtenstein, Hong Kong and Singapore—areas that have been regarded as tax havens in the past—have got to come within the net. *[Interruption.]* And, yes, other parts of the world have got to come in, and I hope that the Opposition will join us in demanding that.

As far as the low-carbon recovery is concerned, the right hon. Gentleman should know that we are investing, and ready to invest, as I announced today, in major projects of energy infrastructure—*[Interruption.]*

Mr. Speaker: Order. Mr. Mackay, you are another regular who seems to want to shout across the Chamber, particularly at the Prime Minister. You are down to ask a question, but you cannot keep shouting and then expect to be called.

The Prime Minister: As I was saying, the right hon. Member for Sheffield, Hallam (Mr. Clegg) can be sure that we are investing in low-carbon projects, and that we want to continue to do so. On the fiscal stimulus, I am not surprised that he is opposing it now. The reason for that is that he is committed to £20 billion of public spending cuts.

Sir Stuart Bell (Middlesbrough) (Lab): Is it not appropriate that the Prime Minister should seek consensus within the European Union, within the group of 20 and with the United States of America at the meeting in Prague next month in relation to the first global recession, and that he should link it with climate change proposals and, not forgetting the less developed world, with the millennium development goals? Is it not a pity, or even a tragedy, that the whole House cannot support that consensus?

The Prime Minister: This is a global problem that requires global solutions. I do not think that anybody in our country is in any doubt about that. There are four problems that must be solved if the global economy and our global society are to work better in the future. The first is financial instability, and that is why we are proposing the measures that we are proposing. The second is climate change and the need for energy that must be met in the future, which is why we are looking forward to a Copenhagen agreement. The third is security for people in a world of greater mobility and yet greater terrorism, and we have to deal with that as a global problem as well. The fourth is the poverty and inequality that led us to propose the millennium development goals in the first place. Everybody knows that those problems cannot be solved by Britain, America or any other country alone; they can be solved only by the world working together.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I saw pictures at the weekend of the Prime Minister engaging in a lot of back-slapping and bonhomie with President Sarkozy of France. Does he think that, as a result of his conversations, President Sarkozy will implement a VAT cut, as we have here?

The Prime Minister: The right hon. Gentleman is the first to say that we should not all do everything in exactly the same way in Europe. It is important to get a fiscal stimulus, but it is also important that countries choose the way in which they want to do that, as he will always acknowledge. We have chosen to do certain things, as have the French and the Germans. What is common, however, is that they are in favour of a fiscal stimulus and not, like the Conservatives, in favour of public spending cuts.

Dr. Gavin Strang (Edinburgh, East) (Lab): Is it not time that the whole House, including the Opposition parties, recognised that the Government have been absolutely right to attach the highest priority to stabilising the banking system? Is it not the case that the more we learn about the Royal Bank of Scotland, the more we realise that its shareholders and customers are entitled to become angrier and angrier? In view of the reports in certain newspapers, it is really no excuse for independent directors to say that they might have lost their jobs if they had stood up to the senior officers; surely that is the purpose of having independent directors.

The Prime Minister: My right hon. Friend is absolutely right. Independent directors are there not to rubber stamp decisions made by management, but to question them and to hold management accountable. I think that the Walker review, which is looking at the role of directors and people who sit on the boards of financial institutions, will conclude that a change of behaviour in the boardrooms is necessary. I think the whole country is angry at the practices we have seen in the Royal Bank of Scotland, and we condemn them.

Sir Peter Tapsell (Louth and Horncastle) (Con): On Second Reading of the Bank of England Bill in November 1997, the Prime Minister may remember that I strongly opposed the triangular regulation of our banks, which has proved such a disaster. In today's circumstances, facing as we are the danger of mass unemployment for years to come in this country and throughout Europe, may I repeat what I indicated before the pre-Budget report—that I am a strong believer in fiscal stimuli, well chosen in every advanced country in the world, together with quantitative easing to maintain consumer demand, if we are to avoid the terrible mistakes made in Germany 80 years ago by Chancellor Bruning, from whom the present German Chancellor has mercifully learned the right lessons?

The Prime Minister: I am grateful to the hon. Gentleman for his comments. When the private sector fails, and when banks fail and falter, it is the Government's duty to step in. If we are to have the level of economic activity in the economy that we want, there needs to be monetary activism, as the hon. Gentleman proposed, and also fiscal activism. I cannot see how the Conservative party can continue to resist the idea that we should have, as we are having, a fiscal stimulus in the economy. The CBI supported our fiscal stimulus and wanted it to happen in November when we announced it. It has supported the measures we have taken.

Mr. Peter Hain (Neath) (Lab): I welcome the fact that the European Council has adopted many of the ideas that the Prime Minister has advocated consistently now for months—a co-ordinated response on regulation and, yes, on a huge fiscal stimulus. Is it not extraordinary to get the same vacuous and juvenile posturing from the Leader of the Opposition when unemployment is 7.6 per cent. across the European Union and expected to rise to more than 10 per cent., with about 5 million jobs still to be lost across the EU? What we need in that context is huge public investment: the Tories simply will not learn the lessons of the 1930s and, yes, their own failure in the 1980s to tackle these problems through the power of government, using a fiscal stimulus to do so.

The Prime Minister: My right hon. Friend is absolutely right. It is right at this time to use the Government's powers to help people who are unemployed, to help mortgage holders with their mortgages and to help small businesses get the funds that they need. Of all the parties I know across Europe, only this Conservative party is saying that there should be public spending cuts: the German, the French and other conservative, right-wing Governments have supported fiscal stimuli. The Tories cannot walk away from the fact that they are the only party calling for public spending cuts.

Sir Menzies Campbell (North-East Fife) (LD): During the course of the Council, was there any discussion of the impact of the present financial crisis on defence budgets? Was there any discussion of the extent to which the countries of Europe are not fulfilling their obligations to NATO? In that regard, was there any discussion of increased defence co-operation and, in particular, the need to embrace the principles of force specialisation, interoperability and common procurement?

The Prime Minister: These matters are more appropriate for the NATO summit on 2 and 3 April. I hope that the right hon. and learned Gentleman will understand that there will be a big discussion of all those issues at that summit. I think he will find that we are meeting our obligations; I think he will find that our defence budget has continued to rise; and I think he will find that other countries of Europe are aware of their responsibilities.

John Reid (Airdrie and Shotts) (Lab): The Prime Minister is right that the restoration of confidence in the financial sector and reforms depends very much on increasing transparency, oversight and regulation. With that in mind, will he turn the minds of his colleagues to the least transparent and least regulated part: credit default swaps? In that area at least, will he attempt to get as much unity as possible for a clearing-house mechanism that can introduce transparency and regulation, rather than the current free-for-all with over-the-counter dealings?

The Prime Minister: I am grateful to my right hon. Friend, who has taken an interest in the matter and written to me about the issues. We have looked at credit default swaps, and will continue to look at the risks and dangers that they pose. Obviously, the best way of dealing with such a problem is international action. We will consult with our colleagues at the time of the G20.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Does the Prime Minister recognise that his financial stimuli and counter-cyclical investments have helped some parts of the UK, particularly the financial sector in the south-east of England, unfortunately without much benefit outside that area? When he next talks about public, taxpayers' investment, will he consider the effects on the rest of the UK? Precious little is filtering through to other parts of the UK, as we saw in last week's unemployment and job creation figures.

The Prime Minister: Every pensioner in the United Kingdom got the benefit of the pension rise, every family got the benefit of the child benefit rise that started from the beginning of January, and every family has got the benefit of the cut in VAT, which extends to the whole of the United Kingdom. Also, every community is getting the benefit of further public investment, which we have instructed to be advanced to help keep jobs in our economy. So I disagree with the hon. Gentleman: the benefits that we are trying to spread to the whole of the country to deal with the crisis include benefits to Wales.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): In his statement, the Prime Minister rightly highlighted the need to have economic stability, good governance and economic development in the eastern neighbourhood. Were there any discussions on some countries, particularly Romania, which, although they are in the European Union, still have considerable internal problems with good governance, about how they can be helped with not only their economic problems but their internal governance problems?

The Prime Minister: As you know, Mr. Speaker, some changes have taken place in Romania, and it is important to remind it of its responsibilities. If it signs up, as it is doing, to the European Union, it must meet the test of democracy. The European Union has that explicit test to enable members to join, and Romania is not excluded from that test.

Mr. Michael Howard (Folkestone and Hythe) (Con): In discussing the financial crisis with his colleagues at the Council, did the Prime Minister draw to their attention the important report of the National Audit Office on the nationalisation of Northern Rock? Did he consider with them the lessons that can be learned from the report's finding that in 2004 the Treasury over which he presided was specifically warned that we were ill-equipped to deal with a systemic banking crisis, but decided that the issue was not a high priority? Does he now regret his failure to take that warning seriously?

The Prime Minister: Long after 2004, we did a number of exercises with the American authorities about what we would do in situations in which individual banks collapsed and about whether there was a systemic crisis as a result. Far from not taking action, we did take action and looked at what the global repercussions of individual bank failures would be. We talked to the United States Treasury and Federal Reserve and the regulators. The right hon. and learned Gentleman must recognise that Northern Rock, among other companies in the United Kingdom, was buying assets, from the United States of America, which were at that time labelled triple A but which turned out to be absolutely worthless. So there is also a failure in international regulation, which must be dealt with. I hope that he will agree that the measures that we are taking at the G20 are the right ones to take.

Mr. Gordon Prentice (Pendle) (Lab): Forty per cent. of the jobless in the United Kingdom are under 25, and we face the prospect of rapidly rising unemployment this year, especially as young people leave education. What did my Friend learn from his counterparts across the European Union about what can be done specifically to help young people into work?

The Prime Minister: I can tell my hon. Friend what we are doing. We are determined to ensure that school leavers who leave in the summer are given the best possible chance to obtain training or jobs, or to stay on in further education if that is what they wish to do. We will be introducing measures to ensure that as many young people as possible are given that benefit, and I am sure that the same will be happening in other parts of Europe.

Mr. John Maples (Stratford-on-Avon) (Con): Did the Prime Minister have a chance to discuss with his colleagues at the Council the five European Union directives that are in the pipeline, all of which could impose considerable costs on employers? I am sure he agrees that at a time of high and rising unemployment, the last thing that we ought to be doing is imposing additional costs on employers, whether they are in the public or the private sector. Would he consider giving a lead in Europe in calling for a moratorium on regulation that imposes costs on employers until the recession is over?

The Prime Minister: Environmental and other regulations have been put forward by the European Union. Part of our promise of a low-carbon recovery is that we will be able to make progress on the environment. I will of course look at what the hon. Gentleman called the five regulations—although he did not name them—and will write to him.

David Taylor (North-West Leicestershire) (Lab/Co-op): The European Council's pledge to protect the world's financial systems from opaque and unco-operative tax havens is naturally good news, but will the Prime Minister tell us how he intends to implement that in our own country? We have four major banking groups. Two are effectively under national ownership and might be expected to respond to leverage on co-operation, but the other two—HSBC and Barclays—have long promoted tax evasion and avoidance schemes using offshore tax havens. How will the Prime Minister secure their co-operation?

The Prime Minister: Tax evasion is illegal, and we are dealing with it in the ways in which we can. If anyone has evidence of tax evasion, they should supply it to the prosecuting authorities. As for tax avoidance schemes, every Budget attempts to deal with the problems that arise from tax avoidance. We introduced new rules in 2005, and, as I have said, about £14 billion in revenues has been saved as a result. However, anyone who has any evidence of tax evasion should tell us.

Mr. David Curry (Skipton and Ripon) (Con): Whatever people's degree of enthusiasm for the European Union, it is commonly accepted that the free movement of people, goods, services and capital is a huge achievement, and that anything that undermined it would be very

destructive of prosperity. In the light of that, when we reach the G20 may we have not just another mantra about the evils of protectionism, but a promise of some action to promote free trade and combat protectionism? Will we see an agreement among our leaders that they will stop this competitive playing to the protectionist gallery, which simply encourages sentiments that will destroy jobs, and to which the Prime Minister himself is not immune?

The Prime Minister: The right hon. Gentleman is absolutely right. At the G20 we will receive a report from Mr. Lamy, the head of the World Trade Organisation, about any protectionist measures that have been taken by individual countries over the last few months. The WTO will continue to monitor that protection, and will report to us regularly. As for the promotion of trade, we are anxious to facilitate trade by making available what has been missing for many months: the level of export credits and trade support that is necessary for world trade to resume, and for us to secure the growth in world trade that is necessary for recovery.

Emily Thornberry: Will my right hon. Friend help the House by answering this question? How many jobs would be secured by a cut in inheritance tax?

The Prime Minister: If we were looking for job creation measures, that would not be at the top of the agenda. I remind Members that while the Conservatives are proposing public spending cuts in every other area, they are proposing to spend £2 billion on the estates of a very small number of people. I believe that they should think again.

Sir Patrick Cormack (South Staffordshire) (Con): What reassurance and hope can be offered to those who, 20 years ago, were citizens of the Warsaw pact and placed their hope and their trust in responsible capitalism, but who now feel that their world is falling about them, and feel totally disillusioned?

The Prime Minister: The hon. Gentleman is right. We have a huge problem in parts of eastern and central Europe, because German banks, Austrian banks, Italian banks, Belgian banks and even British banks are having to withdraw, or are withdrawing, to their own home bases. What we therefore need is an international effort to help individual countries that do not have resources of their own with which to rebuild their banking systems. That is why the European Union has raised its balance of payments assistance to those countries, and that is why when we meet at the G20 we will want the International Monetary Fund to have the additional resources that are necessary to deal with crises. But we do not want just to deal with crises; we want to prevent crises, so we will have to look at better mechanisms by which we can help those countries of central and eastern Europe that are being let down by the current financial crisis.

Mr. John Redwood (Wokingham) (Con): I strongly welcome the Prime Minister's belief in more transparency. In that spirit, can he now tell us how much taxpayers' money is at risk in bank support and bank guarantees and in all the off-balance-sheet devices this Government have gone in for? The British public have a right to know how much of their money is at risk.

The Prime Minister: This is the man who told us:

"We see no need to continue to regulate the provision of mortgage finance".

This is the man who kept pressing us to deregulate more and more. The problem we have to face is that we have to intervene to save both the banks and the financial institutions so that people's savings are safe, and I hope the right hon. Gentleman will agree that one thing is that, despite all the difficulties we have seen, people's savings have been safe.

Mr. William Cash (Stone) (Con): The Prime Minister may know that today the hapless Lord Myners has signed off the European Commission's endorsement of the de Larosière report for the creation of a Europe-wide banking and financial rules framework, which—contrary to the statement the Prime Minister has just made—involves in practice majority voting and European Court jurisdiction, thus eliminating national control and jurisdiction. The Government have welcomed this report; Lord Turner has welcomed this report. Will the Prime Minister come clean and ensure that Parliament, and not the European Union, controls our banking and financial services?

The Prime Minister: I have with me a copy of the letter that the Chancellor sent to the Czech Republic, which has the presidency of the EU at present. It says that, under our proposals,

"it would not have powers over national supervisors, for example to change supervisory decisions, and it would not prescribe detailed supervisory practices."

That is our position.

Mr. David Heathcoat-Amory (Wells) (Con): The published conclusions of the Council differ hardly at all from the conclusions circulated prior to the meeting, which were available on the Danish Parliament website, before the Prime Minister ever got to the meeting, but there is one matter that did change: the size of the bail-out to other EU economies, which has now risen to €50 billion. What is the potential exposure of the British Treasury and taxpayer to this size of bail-out?

The Prime Minister: First of all, I have a copy of the conclusions of the European summit and they did change substantially from the original draft provided by the Czech presidency, and I think the right hon. Gentleman must recognise that, even on the de Larosière report, the conclusions are different from what was originally put into the text. The balance of payments facility is a European Union loan of €50 billion that is to be made available. As far as the IMF loan is concerned, we will make up our mind what our contribution will be once we analyse what other countries are doing and what Europe as a whole will do, and we will make that known before the G20.

Alistair Burt (North-East Bedfordshire) (Con): But with such enormous debt chasing a finite capacity to lend, some commentators are now talking about what Steve Bundred of the Audit Commission has called the Armageddon scenario in which there is simply not enough money to provide for the borrowing that is being sought. Did the European Council consider this to be a serious possibility, and if so, what is Britain's strategy to deal with it?

The Prime Minister: I have never heard an Opposition who want to talk the country down as much as this Opposition. During this whole exchange, we have had anti-European after anti-European speaking. Now, on this occasion, we have a pro-European who is now becoming anti-European as a result of things that are happening. When markets fail and banks are unable to do their job, Governments have got to step in. That is the philosophy under which we are working, and I wish it was the philosophy of the Conservative party, too.

Mr. Graham Brady (Altrincham and Sale, West) (Con): The Prime Minister has congratulated Switzerland and others on moving towards OECD standards of transparency. Will he confirm that British Crown dependencies and overseas territories already meet those standards?

The Prime Minister: These dependent territories have got to meet these standards—that is our position.

Bob Spink (Castle Point) (Ind): We must all welcome the Prime Minister's positive programme of action to tackle the global economic crisis, but will he do more to reduce the subsidy that Britain gives other EU countries through the net cost of our EU membership and the £40 billion trade deficit between this country and other EU countries, which costs this country many jobs?

The Prime Minister: It is in the interests of the whole world that these imbalances—they are imbalances not only within Europe, but around the world—are corrected. Originally, in the 1940s, when Keynes was involved in setting up the International Monetary Fund and the World Bank, he wanted a situation to develop where people were under an obligation to correct imbalances that arose in one continent or in one country. These are matters that I think he would agree have got to be looked at, not only at a European level, but internationally. We are trying, as the hon. Gentleman knows, to persuade China to take more exports from the United Kingdom, and that would be one way in which the imbalances could be reduced.

Mr. Andrew Mackay (Bracknell) (Con): The European Council deserves our support in putting pressure on unco-operative tax havens. Why did the Prime Minister not mention Bermuda when naming the various countries that are tax havens? Has it anything to do with representations from Lord Myners?

The Prime Minister: All tax havens are now under pressure. People will not see their money as safe in these havens after the experience that people have had over these past few months. *[Interruption.]*

Mr. Speaker: Order.

The Prime Minister: This is a matter on which the world can now come together for the first time; never before have we had the will to take action to bring unco-operative tax havens under proper jurisdiction. That is something that I believe should happen, and we should be crediting this Government with the decision to push that it should.

Mr. Peter Bone (Wellingborough) (Con): My right hon. Friend the Member for Witney (Mr. Cameron) asked right at the beginning about the forthcoming G20 summit; why has the Prime Minister arranged Parliament so that he cannot report back to it? Is it not a fact that he is running scared?

The Prime Minister: I think the timings of the parliamentary recess were agreed far before those of the G20. I worked very hard to get a date that was suitable to the American President and to other world leaders, and we finally agreed that the date was the date that we chose. I think I am fair in saying that the date for this summit has to be set with a view towards bringing together the whole of the world, and that is what we have done.

Rights and Responsibilities

4.22 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): With permission, Mr. Speaker, I should like to make a statement on the Green Paper "Rights and Responsibilities: developing our constitutional framework", which was laid before Parliament today. It is the next stage in what has been described as a quiet revolution in our constitutional arrangements, which, since 1997, has included: independence for the Bank of England; devolution for Scotland, Wales and Northern Ireland; independence for National Statistics; the Human Rights Act 1998; the Freedom of Information Act 2000 and the Data Protection Act 1998; and reforms to the House of Lords and of party funding.

This Green Paper deals with some of the most fundamental questions we face as individuals and as a society: how we live together; what rights and freedoms we enjoy, and from whom; and what duties and obligations we owe, and to whom. Those issues are not abstractions, removed from the practical politics of jobs and housing, health care, education, crime and disorder, because these constitutional arrangements determine how power is distributed, and therefore the conditions in which every other question in our public life will be answered.

It is because of the centrality of these issues that my right hon. Friend the Prime Minister chose to make his first major policy statement, within days of taking office, on exactly this matter of constitutional change. He told this House that it was right to involve the public

"in a sustained debate about whether there is a case for the United Kingdom developing a full British Bill of Rights and duties".—[*Official Report*, 3 July 2007; Vol. 462, c. 819.]

This was to be as a step towards a written constitution. The Green Paper presents the arguments for such a Bill. It does not reach final conclusions—that is for the end of the process of national discussion—rather, it sets the framework for this debate. Indeed, if by the end of the process the Bill is perceived to provide protection to rights and freedoms, it will become effective in defining common values so that people in Britain of different backgrounds may feel ownership of it.

From the Magna Carta and the declaration of Arbroath, the 1689 Bill of Rights and the Scottish Claim of Rights, to the great Reform Acts of last two centuries, our history illustrates the proud traditions of liberty on which our nation is built. Though the profound changes that those great texts initiated were the subject of intense struggle at the time, the United Kingdom's experience of constitutional development has been unlike that of almost any other democracy in the world.

The constitutional arrangements of most other nations have emerged from rebellion, revolution, civil war, occupation or oppression. The United States, France, India, South Africa and nations across Europe and the world, have had to set down their arrangements in a single text—a constitution, underpinned by declarations of rights. Whether legally enforceable or not, they have become abiding points of reference as to how their citizens should relate to each other and to the state, and help to define the kind of nation they wish to be. This Green Paper sets out the case for how a Bill could become a similar unifying force for the United Kingdom, not least because our own society is much more diverse, in race, religion and ethnicity than at any point in our history.

We are, self-evidently, launching this Green Paper at a time of great uncertainty and anxiety. Tackling the global recession must be our immediate priority. But acting, at the same time, to strengthen communities' and individuals' sense of a stake in society—by better articulating the responsibilities we owe and the rights we have—is not an alternative to decisive measures on the economic front but an essential complement to them.

One of the most significant constitutional changes in the past dozen years is the Human Rights Act 1998. I worked hard as sponsoring Minister to achieve a consensus behind it: and I commend the official Opposition for the support that they gave the Act in its final form. Prior to that Act, accessing convention rights via the Strasbourg court was a time-consuming, expensive and difficult process, and, as such, prohibitive for many. Now, those rights can be accessed in UK courts, with cases heard by UK judges.

The Act better protects the family. It has benefited all sections of society; from the elderly couple wanting to live in the same care home, to the loftiest of newspaper magnates. In providing a more practical mechanism to access rights, as well as a positive obligation on the state to protect them, countless thousands of people have benefited from the law, without necessarily having to resort to the law.

Despite that, the Act has its detractors, primarily because the atrocities of 11 September 2001 occurred less than a year after it came into force. Had those tragic events not occurred, I suggest that the HRA would have slipped comfortably into the fabric of our lives without controversy. As it was, those terrible events threw into acute relief the tensions between liberty and security. We recognise these tensions but the Government are proud of the Human Rights Act. We will neither resile from it, nor repeal it.

The principles and rights set down in the European convention—now in the HRA—are timeless. They are the mark and measure of any civilised society at any time, but in the intervening 60 years since the convention was drawn up, the rights in it have been added to by a great extension of social and economic rights—of health care, dignity in old age, education, housing and social security. But as our rights have become so much wider and stronger, one question is whether their claim is balanced properly by an equally strong sense of the responsibilities we each owe. We believe that there is a case for drawing out more clearly and explicitly the responsibilities that go with rights.

Duties and responsibilities are to be found in the convention, in statute, in common law and woven deeply into our social and moral fabric. We have a latent understanding and acceptance of our duties to one another and to the state. That said, responsibilities have been a poor cousin to rights. The Green Paper proposes that responsibilities are given greater prominence in our constitutional arrangements, better to articulate what we owe, as much as what we expect. That is how we can move away from a "rights culture" to a "rights and responsibilities culture".

[Mr. Jack Straw]

Some responsibilities are obvious, such as obeying the law, paying taxes and undertaking jury service. Others are less obviously recalled at the moment they should be exercised, such as a responsibility towards future generations to live within environmental limits, the duty we have to protect the well-being of children in our care, a civic duty to vote, responsibilities towards our neighbours, respect for those public sector workers who care for us and a responsibility towards the taxpayer—for example, not claiming benefits if one is able to work.

If we are to fulfil our responsibilities, we must have a clear understanding of what they are. As the Green Paper sets out, an accessible Bill of rights and responsibilities could be emblematic of the fair society in which we want to live, where awareness of our rights is matched with a greater understanding of our responsibilities to each other. Most of the social and economic rights to which I have referred are already embedded in law, but they are scattered across myriad legal texts. The Government believe that we should encapsulate those rights in a single document, bringing together the "new" post-war rights of social justice and the welfare state, victims' rights, rights of equality and good administration.

A key question set out in the Green Paper is whether any Bill should have, directly or indirectly, the force of law. Bills of Rights from around the world are a combination of symbolism, aspiration and law across a spectrum of legal effect. There need not be a binary choice between the justiciable and the declaratory. As the Green Paper points out, the Government do not necessarily consider a model of directly legally enforceable rights or responsibilities to be the most appropriate.

But even without full legal enforcement, words can have great power. The universal declaration of human rights contained no legally enforceable rights, but was rather the global expression of a shared commitment and a recognition of humanity's common dignity—what Eleanor Roosevelt described as the Magna Carta for all mankind. A Bill of rights and responsibilities for the United Kingdom could be such a declaration and could set down the values we cherish.

I have had the rare privilege of taking through this House many of the constitutional changes of the past 12 years. Throughout that time I have looked to secure the broadest political consensus behind those changes, as reform of such importance to our democracy requires nothing less.

Constitutional change should take place only on the basis of full and proper deliberation. The Green Paper has been through such a process within Government and now it is time to take the debate out to the people whom we all serve. The deliberation must not be rushed and so the Green Paper will not precede any legislation this side of a general election. We are dealing with the fundamental building blocks of our democracy, and as the Prime Minister made clear:

"Constitutional change will not be the work of just one Bill or one year or one Parliament".—[*Official Report*, 3 July 2007; Vol. 462, c. 815.]

A Bill of rights and responsibilities could form the next natural and necessary step in a process that began 60 years ago with the universal declaration. It is an opportunity to bring together existing rights and responsibilities in one statute and better to define the relationship between citizen and state in a new and unifying constitutional document for this century. I commend the statement to the House.

Mr. Dominic Grieve (Beaconsfield) (Con): I thank the Secretary of State for advance sight of his statement. It was not in fact needed, as it was all in *The Sunday Times*. Yet again, even on serious matters of constitutional reform, this Government demonstrate their disdain for this House by first announcing policy to the media. Am I correct in recalling that the Justice Secretary told the House last Tuesday:

"I might be old-fashioned, but I take the view that the place to make announcements is in the House of Commons"? —[*Official Report*, 17 March 2009; Vol. 489, c. 762.]

What has changed since then? Was this a decision taken by the Prime Minister?

We have had a decade of botched constitutional reform from this Government. The Justice Secretary was there from the start, and now he has been instructed by the Prime Minister to clear up the mess. In truth, there can be only two reasons for this Green Paper, which he says sets the framework of debate. Has he come to the House because he accepts that the Human Rights Act, which has been in force for less than nine years, has proved badly flawed, and that new thought is needed? Or is the statement just the latest exercise in pure spin, designed to make absolutely no difference in practice?

I have to correct the Justice Secretary: the Opposition voted against the Human Rights Act, and experience has proved that we were correct about many of the concerns that we expressed. The Act has singularly failed to protect our core freedoms. The heavy-handed abuse of the right to peaceful protest is documented in today's report of the Joint Committee on Human Rights. As for intrusions into personal privacy, the Joseph Rowntree Reform Trust today referred to Britain as the

"most invasive surveillance state...of any Western democracy",

and this evening, the House will again resist the Government's latest attack on juries.

The Human Rights Act has fuelled a rights inflation; it requires UK judges to take a maximalist approach to the interpretation of convention rights that is not, in fact, required by membership of the European convention on human rights, and that has created confusion and uncertainty in practice. Does the Justice Secretary now accept that the Act has often left police and probation services unclear of where the legal boundaries are as they strive to discharge their duty to protect the public, as was shown in the tragic case of Naomi Bryant? Does he accept that the Act has saddled public service providers with heavy liabilities and has what the Audit Commission describes as

"a universal and costly impact on the way that public bodies operate"?

Will he take responsibility for the Act's role in undermining social responsibility, as the Government oversell human rights as all things to all people? If so, how exactly will his proposals make a difference to all that?

On the contrary, the Green Paper is, it seems, destined to make each of those problems worse. Take legal confusion. Writing in *The Sunday Times*, the Minister of State, the right hon. Member for North Swindon (Mr. Wills), explains that

"There may well be a case for not creating new rights outside the scope of the courts",

but he urges us none the less to

"celebrate...the rights we enjoy...through...constitutional expression",

because

"Words have power in their own right."

Can the Secretary of State, who is after all a lawyer, please explain what on earth his junior Minister is talking about? The question is pretty straightforward: does he favour the creation of new economic and social rights with legal force, or are we talking about an entirely cosmetic exercise? If he does want to create new economic and social rights, he needs to say so, and he needs to explain why we in this House should abdicate to unaccountable judges our responsibility, as democratic law-makers, to set the nation's economic and social priorities, and decide how finite public resources should be allocated to meet them.

Take rights to health care. Does the Justice Secretary accept that the reality of any new human rights to health care is that they will feed the claims culture? Just this week, the NHS Litigation Authority lambasted the existing regime. Would not the new rights mean more money for lawyers and less for patients—the last thing that the taxpayer will welcome in a recession? If he does not intend to create justiciable rights, can he explain how the standing of law is not undermined by the process on which he has embarked? What are we to make of his Minister of State comparing the proposals to the Bill of Rights of 1689? Was that document merely "aspirational"? Given their track record, I begin to think that the Government might well wish that the Bill of Rights, too, was merely the pap that is being served up here.

The Justice Secretary could not put off coming to the House for ever. We have waited more than 14 months for this announcement, which has been put back time and again, scuppered each time, we are told, by his colleagues. In a vain effort to say something—anything—on how to reform the Human Rights Act, he has produced a Green Paper that can only make matters worse. May I suggest to him that on the evidence of the Green Paper, he really would be well advised to heed colleagues' warnings? That would be better than trying to create more confusion, and undermining yet again the democratic prerogatives of this House and, above all, the clarity of the law. The Green Paper has just one saving grace: it will not result in any legislation this side of a general election—in other words, it is for the birds.

Mr. Straw: I think the hon. and learned Gentleman protests too much. He makes much of his discontent with the Human Rights Act and how that has fuelled a compensation culture.

Let me read the House a quotation:

"The Human Rights Act has many benefits which it has conferred. The Human Rights Act is dynamic... I don't think the Human Rights Act has anything to do with fuelling a compensation culture at all."

That was the shadow Attorney-General speaking to lawyers at the Stationers' Hall, City of London, on 30 March 2005—the hon. and learned Member for Beaconsfield (Mr. Grieve), the same hon. and learned Gentleman who told the House when the Human Rights Bill was going through the House,

"As is probably well known to my colleagues and possibly to other hon. Members, I have long been a supporter of the incorporation of a human rights Bill into our law... I would be denying my own conscience and feelings in the matter if I did not say that I believe that incorporation is a sensible step forward." —[*Official Report*, 16 February 1998; Vol. 306, c. 831-3.]

I remind the hon. and learned Gentleman that when the Bill was before the House, it was indeed the case that the Conservatives voted against it on Second Reading, but they did not vote against it on Third Reading, as the hon. and learned Gentleman has now had the grace to nod in agreement. Why? Because the Bill was much improved as a result of parliamentary scrutiny, not least from himself as an ardent supporter of the measure. When we came to Third Reading, the then shadow Attorney-General, now the noble and learned Lord Lyell, stood at the Opposition Dispatch Box and "wished the Bill well". The Conservatives, or some tendency of the Conservative party, supports the Human Rights Act.

We were entertained at the weekend by the shadow Business Secretary, the right hon. and learned Member for Rushcliffe (Mr. Clarke), putting a torpedo through the Conservatives' tax policy. He has also put a torpedo through the Conservatives' failure to come up with any significant alternative to the Human Rights Act, describing his own leaders' proposals as "xenophobic and legal nonsense".

As I read his speeches, the hon. and learned Member for Beaconsfield must agree with most of that which is in the document, and is simply posturing to who knows whom on the Opposition Benches behind him. He is in favour of the Human Rights Act. When I read his speeches I see that he is in favour of almost everything that is in the document, as I am in favour of much that he has written, particularly recently.

To what is the hon. and learned Gentleman objecting? Is he objecting to us setting down in summary form the economic and social rights that we all enjoy? What is the problem about that? What is the problem with setting down, as we have done in slightly longer form, the rights to health care or to education? While we set down those rights, which we all enjoy and which not even the Conservative party proposes we take away—yet—is it not also sensible to set down the balancing responsibilities?

The hon. and learned Gentleman suggests that by setting in a single declaration those rights and responsibilities, we will somehow encourage the compensation culture. He has already answered that. It is nonsense. But if in the same text, along with the right to health care, we set down the responsibilities of patients, and if in the same text, along with the right to education, we set down the responsibilities of parents in respect of the education and upbringing of their children, does our society lose from that exercise or gain? I suggest that our society can only gain from such an exercise, and I invite the Opposition to join us in a serious exercise better to set out for the society that we have today the rights and responsibilities that we owe and we should enjoy.

David Howarth (Cambridge) (LD): I, too, thank the Secretary of State for early sight of the Green Paper and of his statement.

[David Howarth]

With all due respect to the hon. and learned Member for Beaconsfield (Mr. Grieve), I do not understand the position that the Conservatives are taking. They seem on some days to want the plaudits of populists for calling for the abolition of the Human Rights Act, but also to crave the respect of civil libertarians. They simply cannot have both. However, does the Secretary of State not recognise that he, too, seems to want it both ways, in how he attempts to link rights to responsibilities? He seems to want not only to satisfy those who rightly say that human rights set up a minimum standard of which no civilised Government—no matter whom they are dealing with—can fall short, but to please those who say that some people do not deserve human rights; that latter position is simply a watered down version of the position of those who want to get rid of the Human Rights Act altogether.

More fundamentally, does the Secretary of State recognise the fundamental distinction between human rights on the one hand, and the rights and responsibilities of citizenship on the other? They are not the same. Human rights set up obligations owed to all humans, and cannot be conditional. The rights of citizens, on the other hand, are not universal, and there are far fewer problems in saying that responsibilities are attached to citizenship.

Does the Secretary of State not also agree that there is a crisis of citizenship in the simple sense of people taking part in the government of their own communities? He is a great supporter of first past the post, but does he not at least accept that one of its effects is to narrow electoral politics to a few swing voters in a few marginal constituencies to the exclusion of everyone else? Is there not an irony in calling for greater commitment to citizenship just before a debate in which, as the hon. and learned Member for Beaconsfield said, the Government seek to restrict one of the best traditions of our citizenship—namely, the jury system?

The statement also seemed confused and vague on the relationship between constitutional texts and a sense of national unity. Does the Secretary of State not agree that it is not a text in itself but the experience of acting together to govern one's own community that creates a sense of democratic identity? National identity itself very rarely creates democracies—in fact, things might be the other way round: too strong a sense of national identity might have been destructive of democratic ideals in the past century.

The Government are right to be cautious on economic and social rights. It would be a mistake, I believe, to constitutionalise too many essentially political decisions about taxing and spending. At the same time, it is already a human right not to be left in destitution and it is a plausible extension of the rights of citizens that they should have an entitlement to sufficient access to health, education and welfare services for them to be able to take part in a practical way in governing their own communities.

However, I agree with the hon. and learned Member for Beaconsfield that such rights as are included have to be properly enforceable in the courts. I am disturbed by what the Secretary of State has said about a range of rights—rights that are enforceable on the one hand, and rights that are purely declaratory or symbolic on the other. Does he agree that there is a grave danger that in creating rights that are not enforceable, he might end up diluting the whole idea of rights themselves? We have had enough of government by press release; the last thing that we need is a constitution by press release as well.

Mr. Straw: Let me deal with the hon. Gentleman's last point. Essentially, he said that if we have a Bill, anything in it has to be justiciable; that, at least, is what I took him to say. I understand his point. I am sure that the hon. Gentleman has read the Green Paper, but I commend it to him some more. In chapter 4, we bring out the fact that if we look at equivalent documents and texts around the world, we see that not every part of a declaration, Bill of Rights or preamble to a constitution is enforceable in the same way as every other part. On page 54, we cite what is set out in article 45 of the Irish constitution. The article is declaratory, but by all accounts the Irish believe that setting out important economic and social rights in a declaratory form in their constitution meets important imperatives within their society. My view is that it is sensible for there to be rights and responsibilities across the piece in a single document. If those could be agreed between the parties in terms of education for citizenship, it would be enormously valuable, when we talk to our constituents, to be able to say, "This is what has been agreed. Whatever else the British political parties and the British people disagree about, these are the sets of basic values—rights and responsibilities—that we all agree about." This is a good starting point. There are certain things that we agree about, but at the moment they are less articulated than they should be, particularly as regards responsibilities, and we should set them out. In its important report last summer, the Joint Committee on Human Rights said that it would be unwise to make economic and social rights directly justiciable because that would pre-empt the role of this Parliament. Of course, I accept that. However, there is greater value in having such a document than in not having it.

I am always ready to rise to the bait of discussing electoral reform, but I will not on this occasion, if the hon. Gentleman will excuse me. I will just say that there is greater concern in Norway and in the Czech Republic about the state of their democracy than there is here, notwithstanding their proportional representation systems. The whole House will have noted that I did not mention, among the major constitutional changes that this House has agreed in the past 12 years, the list system for European Parliament elections. *[Interruption.]* It was a manifesto commitment, your honour.

The hon. Gentleman is right to ask what the Conservatives want. I think that they want different things. In February this year, the shadow Home Secretary said that what we want is "fewer rights, more wrongs". That was an extraordinary statement—so extraordinary that the hon. and learned Member for Beaconsfield (Mr. Grieve) had to say that he was not completely clear about what it meant. *[Interruption.]* As a matter of fact, I am completely clear about what "fewer rights, more wrongs" means: it means fewer rights and more wrongs. That produced complete chaos at the heart of the Tory party.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Before I call the next hon. Member, I say to the House that there is enormous pressure on business today, so could I please ask for single, brief questions and, if possible, brief replies?

Mr. Andrew Dismore (Hendon) (Lab): I welcome what my right hon. Friend said about the Human Rights Act, which stands in stark contrast to the intellectually incoherent position of the Opposition. His remarks about social and economic rights are particularly important. I agree that direct enforceability is not appropriate, but such rights need to be more than just aspirational or declamatory. Will he consider some of the options that we advanced in our report as to forms of justiciability—for example, interpretive powers for the courts, an annual report to Parliament on progress, and a bottom line that nobody should fall below in terms of their social and economic rights?

Mr. Straw: As Chairman of the Joint Committee on Human Rights, my hon. Friend has played a very important role in developing our thinking and that of the House. The answer to his question is yes. For example, we will take careful account of what is shown in recommendation 39 of his report of last July.

Sir Patrick Cormack (South Staffordshire) (Con): Given that one of the most important rights of all is freedom of religion and freedom to express one's belief, what does this document offer in the way of hope to the British Airways stewardess who was suspended for wearing a cross, to the nurse who was suspended for saying prayers for one of her patients, to the school secretary who was suspended because her child talked about Jesus, and to the pantomime dame who believes that his rights are threatened by what we will do tonight?

Mr. Straw: I am as appalled as the hon. Gentleman by those cases. They have nothing whatever to do with the Human Rights Act, and they are absolutely shameful. I made that clear at the time, and I do so again. The right to freedom of religion is guaranteed by the European convention on human rights and the Human Rights Act. However, I hope that he will contribute to the debate that we are starting off today about whether one can better protect the rights of faith so that the kind of appalling nonsense that has taken place, to which he refers, is not repeated in future.

Sir Alan Beith (Berwick-upon-Tweed) (LD): The Lord Chancellor quotes Britain's constitutional history, but is not one of the prizes painfully won in that history that a British citizen's human rights are enforceable by the courts and do not depend on a person behaving as the Government want them to behave, as long as they obey the law? If people cannot enforce their rights under the proposed Bill, and if the duties are unenforceable, is it not just a Bill of hopes and aspirations—or Straw's sermon on the mount? I think that I prefer the original.

Mr. Straw: So do I.

I should have said to the hon. Member for Cambridge (David Howarth) that basic human rights do not depend on responsibilities. We all understand that. It is a mark of a civilised society that we are ready to give to the least worthy in our society—the people accused of the worst kinds of crimes—rights that they would never accord to us. There is no argument about that. None the less, the way in which people behave towards others is taken into account by the courts and is part of our overall moral code, and we need to articulate that better. If the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) considers what happens in other countries, he will see that Bills of Rights and declarations cover a range from aspiration to direct enforcement. I believe that our Bill of Rights could do the same.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does the right hon. Gentleman understand that many of us who have listened to his statement will come to the following conclusion? Either the proposal means nothing at all, and is an attempt to give apparent substance to the empty mouthings of the Prime Minister, or alternatively the Justice Secretary intends to create enforceable rights—that is, enforceable at law—in which case, he will give to unelected judges huge influence over matters that are the proper responsibility of this place.

Mr. Straw: The right hon. and learned Gentleman has not, understandably, had a chance to read the document, but I ask him to do so. I hope and believe that when he has done so, he will see that it is neither of the things that he describes. It is a serious contribution to an important debate, which was initiated, among others, by the leader of the Conservative party. His party has also promised a paper on rights and responsibilities. The only difference is that it promised it three years ago, and so far it has not produced anything at all.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): The Justice Secretary quite rightly made reference to our constitutional heritage, such as the Magna Carta. But the Bill of Rights of 1689 was composed and arrived at within simply months, but the gestation period that the present Government have embarked upon confuses one. All the inalienable rights that we have always assumed as a free and democratic people are available in the constitutional instruments at our disposal, including the Human Rights Act. They protect the relationship of the citizen to the state and they define it. What the Justice Secretary proposes—this confusion and mishmash—is clearly just a diversionary tactic. I agree with my right hon. and hon. Friends: the proposal is going nowhere, and the Justice Secretary knows it. We are wasting time.

Mr. Straw: I disagree with the hon. Gentleman. On the drafting of the Bill of Rights of 1689, I am not sure how long it took to transcribe, but it was certainly the subject of huge debate over many decades, including during our own civil war. It reflected a long period of gestation.

Mr. Shepherd: That is not right.

Mr. Straw: Well, we can have a separate debate about that; we could have it in Government time. I invite the hon. Gentleman to read the document.

Pete Wishart (Perth and North Perthshire) (SNP): As well as some dodgy history that seems to claim the Declaration of Arbroath as British history, this curious and extravagant document hints at further devolution. Will the right hon. Gentleman accept that Scotland, as a distinct legislature and community, should go its own

[Pete Wishart]

way in terms of rights and responsibilities, and will he assure me that he will not be too prescriptive in how he applies measures across the nations of the United Kingdom?

Mr. Straw: The inclusion of the Declaration of Arbroath was a mark of respect to Scotland. As to the future, we are a Union. We are a United Kingdom of four nations in one, and there are clear competences for the sovereign Parliament of that Union, as there are for the devolved Administrations.

Angela Watkinson (Upminster) (Con): Does the Justice Secretary agree that when people avail themselves of their right to demonstrate, they should also be held responsible for any offences that they happen to commit in the execution of that right, and that the law should be applied consistently no matter who the demonstrators happen to be?

Mr. Straw: Of course I agree with that.

Anne Main (St. Albans) (Con): I welcome the fact that there seems to be an emphasis on social and economic responsibilities. Many people would say that those include saving for a pension, and nobody will take the emphasis seriously if the Equitable Life pensioners do not have their rights restored through the ombudsman and get the pension that is due to them.

Mr. Straw: The hon. Lady will excuse me if I do not get drawn into the issue of Equitable Life, except to say that the Human Rights Act, which the Conservatives supported and which the shadow Justice Secretary was supporting until, I think, 1 o'clock this afternoon, has given individuals, including those in a similar position to pensioners of Equitable Life, far greater rights than ever they had before.

Mr. John Redwood (Wokingham) (Con): I hope that we are going to be spared Gordon's little red book on responsible citizens, but can we have our right to a referendum on big constitutional change at Lisbon properly observed?

Mr. Straw: The right hon. Gentleman will know that we set out in our manifesto provisions and proposals in respect of referendums, and they were also set out in the Political Parties, Elections and Referendums Act 2000.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The right hon. Gentleman might recognise this question from the sessions of the Joint Committee on Human Rights. His statement mentioned responsibilities including obeying the law, but may I ask him why paying taxes, jury service and not claiming benefits if able to work are not obeying the law? Are not all the responsibilities that he lists simply obeying the law, and therefore is it not just a gesture to the tabloids to call this a Bill of rights and responsibilities?

Mr. Straw: No, it is not. My guess is that, notwithstanding the fact that the hon. Gentleman is trying to make a partisan point, he often talks in his constituency about people who are claiming rights and the responsibilities that they owe. It is a good idea for Government and Parliament, on a consensual basis, to put in better relief the balance between rights and responsibilities, which is what we seek to do in this document.

John Bercow (Buckingham) (Con): Surely one of the fundamental rights of the British people is to a Parliament that has the freedom independently to scrutinise the Executive. On the assumption that the Secretary of State can agree to that rather prosaic proposition, when will the Executive stop appointing the members of the Select Committees that scrutinise them and instead allow right hon. and hon. Members to elect the members of those Committees for themselves?

Mr. Straw: The process of the Committee of Selection is subject to the endorsement of the House. We thought about this when I was Chairman of the Modernisation Committee, and the honest truth is that the only other possible system would almost certainly produce the same results. There are plenty of individual Members who have particularly strong views and still sit on Select Committees.

Point of Order

5.3 pm

John McDonnell (Hayes and Harlington) (Lab): On a point of order, Mr. Deputy Speaker. I wish to draw attention to the fact that when I left the sitting of Parliament on Friday and passed through Parliament square and into Birdcage walk, I was detained by the police on a stop and search on the basis of the use of anti-terrorism legislation. That follows on from what happened only a few weeks ago during our campaign against the third runway. One of our campaigners, who was simply taking photographs of the properties that will be demolished if the proposed third runway goes ahead, was also detained, stopped and searched under anti-terrorism legislation.

I make this point of order to draw attention to the fact that the use of that power is becoming random and affecting Members and our constituents in a way that I believe is in complete contradiction to the way in which we legislated, which was for the selective use of the powers to prevent terrorism rather than to harass MPs and the overall community.

Mr. Deputy Speaker (Sir Michael Lord): The hon. Gentleman will appreciate that that is not immediately a matter for the Chair, but his points are firmly on record and I am sure that Mr. Speaker will want to take note of them.

Mid Staffordshire NHS Foundation Trust

Application for emergency debate (Standing Order No. 24)

5.6 pm

Mr. David Kidney (Stafford) (Lab): I seek leave to move the Adjournment of the House to discuss a specific and important matter, which I believe should have urgent consideration, namely Parliament's response to the Healthcare Commission's report on Mid Staffordshire NHS Foundation Trust.

Last Wednesday, the Health Secretary made a statement to the House in response to the report and answered hon. Members' questions for an hour. That was the right thing to do. He proposed several actions, which were the appropriate responses to the report. However, two things have happened since then, which make me ask the House for an urgent debate.

First, I returned to my constituency on Thursday evening, and since then further accounts have been given to me and others of poor care at the hospital. Given that the Healthcare Commission's report states that improvements have been made and that the trust is safe, it is important to do everything possible to reinforce that statement straight away. In a debate, I would call for Professor Sir George Alberti's review, which is due to start this week, to be expanded to cover all parts of the hospital, not only emergency care, and, therefore, for him to head a multidisciplinary team to support the current interim leadership, the senior managers and the hospital staff as they ensure that all the improvements for which the commission's report calls are carried out and maintained.

Secondly, there are growing calls for a public inquiry, which I support for four reasons: to help the new regulator, who is about to replace the Healthcare Commission, to understand how one trust kept its failures from being discovered for so long; to anchor the work that has been promised concerning an independent assessment of medical records; to ascertain what lessons can be learned for the future about how the hospital conducted nurse training, patient-staff ratios, supervision and monitoring of hospital services, and to ascertain what lessons can be learned for the future about the arrangements in the past at the hospital for public and patient involvement in decision making, supervision and monitoring, and whether those lessons can apply to systems throughout the NHS.

To me, the question of a public inquiry is big enough to merit a debate in the House, but the two issues together make the matter urgent and worthy of debate now.

Mr. Deputy Speaker (Sir Michael Lord): I have listened carefully to the hon. Gentleman and I have to give my decision without stating any reasons. I am afraid that I do not consider the matter that he has raised appropriate for discussion under Standing Order No. 24 and I cannot, therefore, submit the application to the House.

BILL PRESENTED

Short Selling and Bank Accounts Bill

Presentation and First Reading (Standing Order No. 57)

Mr. Frank Field, supported by Ms Sally Keeble, Mark Fisher, Mr. Graham Allen, Mr. Jim Hood, Mr. Gordon

Prentice, John Mann, Mr. Peter Kilfoyle, David Taylor, Dr. Tony Wright, Jim Sheridan and Mr. Peter Hain presented a Bill to prohibit short selling; to require disclosure by pension funds and their trustees of records of loans of their shares for the purpose of short selling, and of the fees received in such cases; to require banks and building societies to offer their retail customers current and savings accounts free of any charge for holding the accounts when such accounts are in credit; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 19 June, and to be printed (Bill 79).

Coroners and Justice Bill (Programme) (No. 3)

Mr. Deputy Speaker: I must tell the House that Mr. Speaker has not selected the amendment.

5.8 pm

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I beg to move,

That the Order of 26 January 2009 (Coroners and Justice Bill (Programme)), as varied by the Order of 4 March 2009 (Coroners and Justice Bill (Programme) (No. 2)), be further varied as follows:

1. Paragraphs 4 and 5 of the Order shall be omitted.

2. Proceedings on consideration and Third Reading shall be concluded in two days.

3. Proceedings on consideration shall be taken on each of those days as shown in the following Table and in the order so shown.

4. Each part of the proceedings shall (so far as not previously concluded) be brought to a conclusion at the time specified in relation to it in the second column of the Table.

TABLE

Proceedings	*Time for conclusion of proceedings*
First day	
New Clauses, New Schedules and amendments relating to inquests into a person's death that may be conducted without a jury; remaining New Clauses, New Schedules and amendments relating to Part 1; New Clauses, New Schedules and amendments relating to Part 2 except those relating to hatred on grounds of sexual orientation.	The moment of interruption.
Second day	
Remaining New Clauses, New Schedules and amendments relating to Part 2.	One hour after the commencement of proceedings on the Bill.
New Clauses, New Schedules and amendments relating to Part 8; New Clauses, New Schedules and amendments relating to Chapter 1 of Part 4; remaining proceedings on consideration.	One hour before the moment of interruption.

5. Proceedings on Third Reading hsall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on the second day

I hope that we can agree the motion quickly so that we can consider the Bill's provisions. It seeks to ensure that they get the scrutiny that they deserve. First, we have provided for the Bill to be considered over two days and, secondly, the motion orders the proceedings for the two days so that the provisions for private inquests, incitement to hatred on the ground of sexual orientation, data protection, data sharing and the sentencing council receive adequate time for debate. I hope that there will also be an opportunity to consider the other issues that Bill covers.

5.9 pm

Mr. Edward Garnier (Harborough) (Con): The Under-Secretary charmingly and disarmingly introduced the motion, but I am afraid that it does not attract the House. It is outrageous that, in the two days set aside

for Report, the Government have already spoiled the afternoon by making not only one statement, but two. We accept that it is entirely proper for the Prime Minister to make a statement at the first available opportunity following the spring European Council, even though it took an hour or so out of the parliamentary day. However, it is wholly unacceptable for the Secretary of State for Justice, whose business the Bill is, voluntarily to insert his statement on rights and responsibilities into an already overcrowded first day of the Report stage.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does my hon. and learned Friend agree that many of us suspect that the insertion of the statement was done simply for the personal convenience of the Justice Secretary, so that he did not have to be in the House on two separate occasions?

Mr. Garnier: I have absolutely no idea whether that is the case, but it is a wholly improper constriction of the time of this House for the Secretary of State to make a statement today that he could have made on any day last week, any day the week before or any day in the remainder of this week. It was not time-precious—that is to say, time-urgent—for him to make the statement today.

I would suggest that it is an entirely cynical, albeit typical, Government business manager move to compress the debates on the Bill. The Bill, which is about the size of the mid-Suffolk telephone book, is yet another plum duff of a Bill—plenty of duff and very few plums. It deals with about 15 discrete areas of law reform. We had inadequate time in Committee to debate the Bill, and we can see from today's amendment paper, which is about the size of the Rutland telephone book, that plenty needs to be discussed on Report. We can also see that there are nine groups of amendments and new clauses that have to be dealt with in today's business alone.

It could be suggested—no doubt the Minister will confess to this in winding up the debate—that the whole purpose of the way the programme motion has been constructed and the way the Government have so organised this afternoon's business was to prevent things that need to be discussed and scrutinised from being discussed and scrutinised. We will probably see many hon. Members wishing to discuss inquests into a person's death that may be conducted without a jury, which is a highly controversial aspect of the Bill. However, there are other subjects equally worthy of discussion, such as: the death of service personnel abroad; coroner's duties and powers; inquest juries; medical examiners; the governance of the coronial system; some new material on sedition and seditious and criminal libel; the reform of the law of murder; and finally, the subject of assisting suicide.

Philip Davies (Shipley) (Con): As ever, my hon. and learned Friend is making a powerful case. Does he agree that the subject of assisting suicide has aroused considerable interest among many of our constituents, who expect such issues to be debated in Parliament? Wherever one might come down on the subject, surely our constituents are entitled to see such subjects debated, rather than seeing them prevented from being debated, which is what the Government have in effect done.

Mr. Garnier: I entirely agree with my hon. Friend. Each of those subjects—for example, the reform of the law of homicide, the reform of the law on assisting suicide and the reform of the coronial system—should have been detailed in separate Bills. Then the House would have had proper time to deal with each Bill separately, as would the other place, but the Government are not content with that. They rush round their Departments, just tipping stuff into their shopping trolley in the hope that it can make a useful compendium Bill, but it does not: it leads to chaos, cynicism and a total lack of confidence in the Government's ability to order their affairs.

What we are seeing from the Government is not just indifference; it is a reckless disregard for the House of Commons and the proper parliamentary scrutiny of legislation. This Government are now beyond shame. I have yet to see a Minister who can look the House in the face and say that what they are doing this afternoon would be worthy of any Government. I regret to say that this programme motion is a shameful motion. It needs to be treated with the House's utter contempt, and I hope that the House will show that contempt in a few moments' time.

5.14 pm

David Howarth (Cambridge) (LD): I do not think this is a shameful programme motion, but I do think there is a serious problem with it, which is why we tabled an amendment to it. The problem lies in the balance between the two days. The first day jams together amendments on juryless inquests with five other groups of amendments on coroners, including new material from the Government, on the new topics of sedition and seditious and criminal libel, as well as on the whole of the law of murder and assisted suicide.

The problem with the programme motion is that anything on that list that we do not reach by 10 o'clock tonight will fall. We will then start again tomorrow with a reserved hour for the law on homophobic hatred, followed by a fairly leisurely stroll through the rest of this Christmas tree Bill. We have just had two statements, which have taken up 90 minutes, as well as other matters, and it will now be very difficult to reach the amendments on the law of murder today. That would be a disgrace. Murder is the most serious crime in the law, and the Government's proposals seriously distorted a Law Commission proposal. The Committee stage demonstrated that there were real difficulties with those proposals.

Mr. Dominic Grieve (Beaconsfield) (Con): Does the hon. Gentleman agree that the programme motion demonstrates a strange order of priorities by giving the law of homophobic hatred an hour, when its likely use in any given year, if implemented, will probably be tiny, while the law of murder is applied every week in our courts?

David Howarth: I completely agree. I have tabled the lead new clauses in the groups on murder and on homophobic hatred. If asked which I would want to give reserved time to, I would say the murder group, not the homophobic hatred group. I put it to the Government that there should have been a two-day debate without any internal knives at all. In such circumstances, I am sure that the House would have paced itself through those two days properly. I urge the Government to withdraw the programme motion.

5.16 pm

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Not for the first time, I rise to oppose a timetable motion. I strongly object to the timetabling of this Bill on Report. The consequences of timetabling, as my hon. and learned Friend the Member for Harborough (Mr. Garnier) and the hon. Member for Cambridge (David Howarth) have said, is that important sections of the Bill will go to the other place wholly undiscussed. What is more, a number of hon. Members, including my hon. Friend the Member for Shipley (Philip Davies), will not have the opportunity to discuss new clause 42. Whether or not one supports the new clause, it is quite plainly a matter that ought to be discussed by this House. It is urgent and topical, and people want to discuss it, but we are simply not going to reach it. Indeed, I have a strong suspicion that we shall not go beyond the first of the nine groups of amendments.

Mr. Garnier: It is not just that people in the House want to discuss new clause 42; the public outside the House expect us to discuss it.

Mr. Hogg: My hon. and learned Friend makes an important point. Consent for legislation depends on a belief that this House does its duty properly, and the truth is that we are being prevented from doing our duty by this timetable motion. Moreover, on a related point, the Report stage is the only occasion on which right hon. and hon. Members who are not on the Committee have the opportunity to discuss the detail of the Bill. This Bill contains some extraordinarily important clauses. For example, the whole of the first group of amendments and new clauses deals with jury-free inquests. The important thing to keep in mind is that these provisions represent a concession—I concede that it is a concession—announced by the Government last week, on which there has been precious little public discussion and whose details we have a right to discuss. We are not going to be able to do so in sufficient detail, however.

On a different point, the draft changes on murder are extremely important. I agree with what has already been said about that. As the Secretary of State for Justice knows, I have often appeared in murder cases. Provocation has been an extremely difficult area of the law, and we have a right to have the opportunity properly to debate it on this occasion, but we are not going to be able to do so. The definition of an inquest in respect of which a jury should be required seems to me to be a matter of very considerable moment, but we are not going to reach that provision; it will go to the other place without our having had proper discussion. That is also true of the matter of assisted suicide, to which my hon. and learned Friend the Member for Harborough has referred.

There is another vice about this—if the time allowed for Report is constrained, we can be quite sure that Mr. Speaker will be unable to select as many amendments as we would wish him to select. As we know from the Order Paper, I tabled scores of amendments—I make no complaint about the fact that only a few have been selected—but if debate is unnaturally and too tightly constrained, right hon. and hon. Members are shut out and a Bill is not properly discussed at all.

I suggest that any feeling of outrage should be compounded by two further considerations. We all know that the business of the House has been extraordinarily light for the last few weeks. We need only look at the Order Paper to know that. It would have been quite easy to provide two, three or more days to allow proper debate of this Bill, but we are not permitted to do so, which is an outrage.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): In supporting the right hon. and learned Gentleman's argument, may I respectfully remind him that there is a one-liner throughout next week, so there would be plenty of time to deal with these very important issues? Murder and jury-free inquests are vital issues that we should all be able to discuss at length.

Mr. Hogg: I do not know about the nationalist Whip, but I know that other parties have an extraordinarily light Whip and we have had extraordinarily light business for weeks and weeks and weeks. We could well have given this Bill much more time than is being allowed.

Sir Patrick Cormack (South Staffordshire) (Con): Does this not serve to bring this House into disrepute in the eyes of our constituents, who feel that issues that occupy and concern them are not being discussed even for a moment in this place?

Mr. Hogg: I agree and I find it impossible when I go to schools and other places to explain why it is that whole chunks of legislation are going through this place undiscussed. The Criminal Justice Bill in 2003 was the worst example that readily comes to mind, but there are countless other examples, of which this Bill is going to be another.

Then we come to the perverse fact that we have had two statements today—a day of tight business. I understand that the Prime Minister felt obliged to make a statement and it was a remarkable performance. The poor fellow, I fear he is getting very tired, so I suppose one ought to feel sorry for him. However, there was no need for the Justice Secretary to come here today. I entirely agree with my hon. and learned Friend the Member for Harborough that, assuming it was not for the personal convenience of the Justice Secretary, it was certainly to take up time—and that stinks as a practice.

I was not going to divide the House because I knew that the Division would take up time from our substantive debate, but now that my hon. and learned Friend the Member for Harborough proposes to divide the House, I am going to join him in the Division Lobby with enthusiasm.

5.23 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I have an obvious interest in the programme motion because I have new clauses in one of the later groups to deal with freedom of speech—a matter that should be of interest to all Members. I am also a sponsor of the new clause dealing with assisted suicide. I think it is fair to say that I raised my concerns with the Government before I saw the groupings. I put some questions to the Leader of the House just last Thursday. I said:

"Mr. Speaker, you will be selecting the amendments"

for the Coroners and Justice Bill

"and, as there are so many parts to the Bill, they will inevitably fall into at least eight substantive groups."

Well, there are 14. I continued:

"We are grateful to the Leader of the House for providing two days' debate"—

which was not the case in respect of the Criminal Justice Act 2008 when, as with so many others, we had just one day—

"but does she recognise that the ability of the House to scrutinise the legislation will be measured"—

by our constituents and the media—

"in part, by whether we have time to debate all those groups?"

I then asked her a simple question:

"Will she take steps to ensure that there is adequate consultation between the parties so that those two days are used effectively to scrutinise all the parts of this important piece of legislation?"—[*Official Report*, 19 March 2009; Vol. 489, c. 1065-66.]

As my hon. Friend the Member for Cambridge (David Howarth) said, there is not enough time to do more than we are doing because of the mismatch between the two days. He was available all last week to debate such matters, and the same applies to those on the Conservative Front Bench.

When the Prime Minister was first selected as the new Prime Minister, he said it was his priority to ensure that the House improved the scrutiny that it delivered. At the time, I asked him whether that would include scrutiny of all legislation—particularly criminal justice legislation—by the elected House. I asked whether he agreed that it was unacceptable for huge tranches of legislation to go through the House, and sometimes even Committee, unscrutinised. As the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said, this is the only chance that those of us who are not on Public Bill Committees have. Surely the Government accept that the House is not doing its job of scrutiny unless it can debate all groups of amendments.

There is an option other than a third day: consulting on the programme motion. I have been told by those who know more about the matter that whichever Committee of the House suggested programme motions never intended them simply to be imposed and to have the consequences, by design or accident, that we see today. They were always intended to be a vehicle for the House to arrange its business so that we could debate such matters. Does the Minister recognise that it must be sensible to negotiate the programme motion so that we do not have such a half-hour debate, Divisions and unpleasantness? I am assured that there was no negotiation—

Mr. Hogg: I hope that the hon. Gentleman will be cautious about negotiation, because the implication is that it takes place between Front Benchers, but Back Benchers have a view about the matter. When the Conservatives are elected to office, I shall be hard to persuade to support any timetable motion.

Dr. Harris: Politics is the art of the possible, and regardless of how much trust Back Benchers have in Front Benchers, consultation is possible. We ask our Front Benchers to take into account the interests of the whole House. I would rather argue with them over their failure to negotiate a good position than have such frustration. At least my hon. Friend the Member for Cambridge tabled an amendment, which was not selected, that would have addressed the matter.

It is amazing that the elected House will not get to debate murder law reform, and that we will probably not get to debate free speech, which has not been debated in this House for centuries—not since the days of the Star Chamber—in the terms on the Order Paper. It would be unacceptable if the House discussed only one group today. We must show self-restraint. No programme motion will ever deliver proper scrutiny if we spend a whole day on the first group, important though it is. With self-restraint, the House of Lords managed to get through its business. In that spirit, I will finish.

5.28 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): The House knows that this is a compendium Bill and that it touches on fundamental issues that affect the nature of our society. I want to draw attention to a conclusion of the Joint Committee on Human Rights, which comprises Members of the House of Lords and Members of this House. Few people will have had the opportunity to read the Joint Committee's report. It states:

"The breadth and size of the Bill and the legal complexity and diversity of the topics it covers have been the subject of concern during the Bill's passage through the House of Commons given the limited time provided for scrutiny. We add our voice to those concerns. Large, multi-purpose bills of this sort are almost impossible to scrutinise effectively within the limited timescale provided by the Government. Given the range and significance of the human rights issues raised in this bill, the Government should have introduced two or three separate bills, each of which would have been substantial pieces of legislation in their own right or ensured that there was sufficient time for full pre-legislative and Committee stage scrutiny in the House of Commons. We welcome the fact that two days have been given over for Report stage in the House of Commons, a step not taken in relation to previous Bills of similar size, including the Criminal Justice and Immigration Bill".

It does not take much wit or imagination to appreciate that a Bill that covers certified or secret inquests, data protection, consumer reforms, witness anonymity, changes in the criminal law and procedural changes deals with big, big issues which the House should take seriously. What the Government are consistently doing is denigrating this Chamber—my hon. Friend the Member for Buckingham (John Bercow) raised that point during questions on the statement by the Justice Secretary earlier this afternoon—rubbishing us, in one sense, and pushing the whole duty of legislative scrutiny down to the other end.

There are matters in this Bill that we simply cannot reach. As was pointed out by the hon. Member for Oxford, West and Abingdon (Dr. Harris), we shall not be able to discuss contentions that affect every one of our citizens. What is the purpose of the House of Commons if the Government persist in introducing guillotine motions with timetabling that does not enable us to discuss the business involved? This is a denial even of the Justice Secretary's Bill of rights and responsibilities. What about the responsibilities of a Government to ensure that Parliament—the elected House of Commons—can discuss matters such as secret coroners' courts?

5.31 pm

Philip Davies (Shipley) (Con): I do not intend to delay the House for long, but I want to express my support for what has been said by my hon. and learned

[Philip Davies]

Friend the Member for Harborough (Mr. Garnier), my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) and, of course, my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd).

This is happening far too regularly. It is not a case of the Government's having made a genuine mistake; week in week out, there is not enough time to debate Bills in Parliament. One would have thought that, given that it is happening week in week out, the Government would have done something about it if they genuinely believed that the House was supposed to debate important matters. The fact that they do not do anything about it can only lead people to the conclusion that they do not want matters to be debated in the House: that they do not like being scrutinised, and do not want a proper debate to take place. If they allowed a proper debate, they might find that there were differing views among those on their own Benches, and they do not want to tolerate such a situation, so they filibuster by tabling needless statements such as that made earlier by the Justice Secretary—which did not need to be made today—in order to restrict the time available for debate on Bills such as this.

Numerous constituents have raised with me such issues as assisted suicide, which has attracted a great deal of interest. Constituents on both sides of the argument have urged me to support their views. They expect these matters to be debated.

Mr. Tim Boswell (Daventry) (Con): My hon. Friend is making a very good case. That is exactly the point: our constituents expect us to be debating the issues, and they do not understand why we do not get around to doing so because of some incompetence on the Government's part, and some procedural motion that prohibits proper discussion.

Philip Davies: My hon. Friend is absolutely right. It is either incompetence on the Government's part, or a deliberate attempt to prevent a debate from taking place. The Government can choose which it is. I am quite relaxed about allowing them to choose whether it is incompetence or a deliberate attempt to stifle debate, but it is one of those two things.

What am I supposed to say to my constituents who contact me about these matters, ask that these matters be debated, and urge that their own views be heard? Am I supposed to say, "I'm sorry; this is the House of Commons, this is an important issue and the Bill was meant to deal with it, but the Government have ensured that there is not enough time for it to be debated, and so the view of the House has not been tested"?

The hon. Member for Oxford, West and Abingdon (Dr. Harris) is perfectly entitled to a debate on the new clause that he supports. I might well take a different view from the hon. Gentleman, but the people in the country—our constituents—are entitled to know where we stand on these issues, and to know that they are being debated.

Sir Patrick Cormack: Is not a bad situation made worse by the fact that debate on the timetable motion is taken out of the time for debate on the Bill? It would have been a little better if the 45 minutes for this debate had been ring-fenced, so that after that we could get on with the Bill.

Philip Davies: My hon. Friend is entirely right, and he was entirely right when he said in an earlier intervention that this type of thing was bringing the House into disrepute. The standing of the House of Commons is falling as every day goes by. We should be trying to do something about that. We should be trying to arrest the slide in public support for what goes on in this place. We should not be helping it to fall into further disrepute by not debating matters that are of great importance to our constituents. We are already considered an irrelevance by many people; we are making ourselves irrelevant by not debating particular issues because it might be inconvenient for the Government to have them debated. As we have heard, the business has been fairly light in recent weeks, and it will be so next week in particular, when it seems that the Government are scrabbling around trying to find business to put on in order to allow the House to sit. That would have provided a perfect opportunity to have proper debate of these issues.

My constituents have raised these important issues and they expected them to be debated. I could not allow this debate to go by without making the point that the Government have prevented their being debated through their programme motion. We have two days set aside on the Order Paper. Given the way things have been arranged, it is entirely possible that we may reach almost none of the key amendments today and finish early tomorrow because the business ends particularly early, when we could have allowed time for some more of these issues to be debated. That would have been entirely possible.

This business has been organised in such a way as to prevent debate on matters that are important to Members and our constituents. The Government should be ashamed of themselves. I am delighted that my Front-Bench colleagues have said that they will oppose this programme motion, and I will support them enthusiastically.

5.36 pm

Bridget Prentice: I have heard a lot of nonsense spoken in this House on many an occasion, but not quite as much as I have heard from the hon. Member for Shipley (Philip Davies) today.

Mr. Garnier: Will the hon. Lady give way?

Bridget Prentice: No, because I want us to get on to the main substance of the debate.

Let me address a couple of points. First, we spent 43 hours and 32 minutes in Committee, so the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), who is very concerned about process in this House, will know that proper scrutiny took place in Committee over several days, including an extra day. We have also allowed two days on Report. I will not take any lessons from the nationalists, who did not bother turning up to the Committee stage of the Bill. However, I will say to the hon. Member for Cambridge (David Howarth), who was concerned about the balance between amendments to the law of homicide and to incitement, that there were more names down in support of the amendment to the incitement provisions than in

support of any of the amendments to the homicide law, which might indicate that people do want to have a proper debate on the incitement provisions.

Finally, I say to the hon. Member for Oxford, West and Abingdon (Dr. Harris), who rightly tabled new clauses to the Bill, that if a disciplined approach were taken by the Opposition—which I doubt, however—we might well get on to his proposals tonight, and he might hear some positive responses from the Government.

Whether we reach all the parts of the Bill that are down for debate tonight is entirely in the hands of Opposition Members.

Several hon. Members *rose—*

Bridget Prentice: I will not give way, as I want us to get on to the substance of the Bill. If the Opposition could exercise a little discipline, we might well reach all those clauses. It is entirely up to them.

Question put.

The House divided: Ayes 268, Noes 220.

Division No. 82] **[5.38 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mann, John
Marris, Rob
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*

Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mark Tami and Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Clegg, rh Mr. Nick
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Durkan, Mark
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Maples, Mr. John
Mason, John
May, rh Mrs. Theresa
McDonnell, John
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. John Baron and Mr. Philip Dunne

Question accordingly agreed to.

Coroners and Justice Bill

[1st Allocated Day]

[Relevant Documents: The Second Report from the Justice Committee, Session 2008-09, The Coroners and Justice Bill, HC 185, and the Government's response, HC 322, and the Eighth Report from the Joint Committee on Human Rights, Session 2008-09, Legislative Scrutiny: Coroners and Justice Bill, HC 362.]

Consideration of Bill, as amended in the Public Bill Committee.

New Clause 14

Inquests in camera

'(1) The Secretary of State may apply to the High Court for a certificate ordering that an inquest be held in camera.

(2) The Secretary of State may only apply for a certificate if he is satisfied that it would be necessary to prevent material or information being disclosed whose disclosure would be seriously detrimental to national security.

(3) The court may only grant the certificate if it is satisfied—

(a) that granting the certificate is necessary to prevent material or information being disclosed whose disclosure would be seriously detrimental to national security; and

(b) that other measures short of granting a certificate would not be adequate to prevent such disclosure.

(4) Where the court grants a certificate, the following provisions apply—

(a) the Lord Chief Justice may appoint a judge of the High Court to act as coroner for the case, and a judge so appointed shall have the same functions and powers in relation to the body and the investigation as would be the case if he or she were the senior coroner in whose area the body was situated;

(b) the jury may be subject to checking in accordance with the Attorney General's Guidelines on Jury Checks.

(5) The Attorney General must, on the coming of this section into force, consider revising the Guidelines on Jury Checks to meet the particular requirements of inquests in camera.

(6) If a jury has already been summoned when a certificate is issued, that jury must be discharged and a new jury summoned.

(7) The powers of coroners to protect the identity of witnesses shall apply to inquests in camera to the same extent that they apply to other inquests.

(8) The certificate may require that part of the inquest be held in camera and part in public, and the court must only issue a certificate requiring the whole of an inquest to be held in camera if the disclosure of material or information whose disclosure would be seriously detrimental to national security cannot be prevented in any other way.

(9) Where a certificate has been issued under this section, the coroner or judge may at any time, taking into account any other measures that the coroner or judge may have taken, including measures to protect the identity of witnesses, admit to the proceedings any interested person he may specify, provided that he is satisfied that doing so will not lead to material or information being disclosed whose disclosure would be seriously detrimental to national security.

(10) Where a decision made by a judge conducting an investigation by virtue of this section gives rise to an appeal under section 30, and the Lord Chief Justice has exercised the power in subsection (4)(a), that section has effect as if references in it to the Chief Coroner were references to a judge of the Court of Appeal nominated by the Lord Chief Justice.

(11) A reference in this section or section [Discontinuance or variance of certificate for inquest in camera] to conducting an investigation, in the case of an investigation that has already begun, is to be read as a reference to continuing to conduct it.'.—*(David Howarth.)*

Brought up, and read the First time.

5.55 pm

David Howarth (Cambridge) (LD): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss the following:

New clause 15—*Discontinuation or variance of certificate for inquest in camera—*

'(1) A certificate under section [Inquests in camera] has effect in relation to an investigation until it is discontinued or varied.

(2) A certification may (but need not) be discontinued or varied by the Lord Chief Justice at any time on application from the Secretary of State, the investigating coroner or judge of the High Court, or any interested person.

(3) Where a certificate has been discontinued or varied, and a jury has been summoned, the inquest is to continue with the same jury.'.

New clause 16—*Intercept evidence—*

'(1) Section 18 of the Regulation of Investigatory Powers Act 2000 (c. 23) (exclusion of matter from legal proceedings: exceptions) is amended as follows.

(2) In subsection (7), after paragraph (c) insert—

"(d) a disclosure to an inquest for which a relevant certificate exists under section [Inquests in camera], and where the coroner or judge is satisfied that the exceptional circumstances of the case make the disclosure essential to enable the matters that are required to be ascertained by the investigation to be ascertained.".'.

Amendment 2, page 6, line 2, leave out clause 11.

Government amendment 94.

Amendments (a) to (c), (e) to (g), (d), (i) and (h) thereto.

Amendment 4, clause 11, page 6, line 4, after 'if', insert

'the matter has been referred to the Lord Chief Justice and he or she is'.

Amendment 47, page 6, line 4, leave out 'of the opinion' and insert

'he is satisfied beyond a reasonable doubt'.

Amendment 5, page 6, line 6, leave out 'any of the reasons' and insert 'the reason'.

Amendment 6, page 6, line 9, leave out 'reasons are' and insert 'reason is'.

Amendment 48, page 6, line 12, leave out sub-paragraph (ii).

Amendment 7, page 6, leave out lines 12 to 16.

Amendment 49, page 6, line 14, after 'detecting', insert 'serious'.

Amendment 52, page 6, line 16, leave out paragraph (c).

Government amendment 95.

Amendment 50, page 6, leave out lines 31 to 34 and insert

'until it has been confirmed by a judge of the High Court.'.

Government amendment 96.

Amendment 51, page 6, line 34, at end insert—

[Mr. Deputy Speaker]

'(5A) On an application by the Secretary of State for the confirmation of a certification under subsections (1) and (2), the court may confirm the certification only if it is satisfied beyond a reasonable doubt that—

(a) the investigation will concern or involve a matter that should not be made public for any of the reasons that are set out in subsection (2), and

(b) that no other measures would be adequate to prevent the matters being made public.'.

Government amendment 97.

Amendments (b), (a), (c) and (d) thereto.

Government amendments 98, 99 and 3.

Amendment 30, page 7, line 18, leave out clause 13.

Government amendments 101, 102, 109 and 110.

Amendment 16, page 23, line 26, leave out clause 38.

Government amendment 111.

Amendment 29, clause 38, page 23, line 28, leave out 'and in sections 11 and 12'.

Government amendments 112 and 113.

Amendment 17, page 139, line 1, leave out schedule 9.

Amendment 28, page 141, line 18, leave out from beginning to end of line 23 on page 142.

Government amendment 120.

Amendments (a) to (e) thereto.

Government amendments 127 and 128.

David Howarth: We now turn, at last, to the issue of inquests without a jury. I use that term advisedly, because the central issue is not whether proceedings on inquests should sometimes have to be held in private—in some national security cases, there are certainly times when that should happen—but whether when somebody has died at the hands of the state, a jury that has been summoned should, at the behest of the Secretary of State or through some other procedure, afterwards be dismissed and removed from the case, so that the case in the inquest continues without a jury.

Originally in this Bill—of course, there were proposals in a previous Bill—the Government proposed a procedure whereby the Secretary of State would simply certify that the inquest would involve a risk of releasing information that might harm national security, relations with a foreign power, the prevention of crime or the protection of witnesses, or that might involve "other real harm" to the public interest. That certificate would mean that the coroner would be instantly removed from the case and replaced by a High Court judge, and that any jury that had been summoned would be removed, too. The case would continue without a jury and, presumably, in private, excluding everybody from the proceedings, including the family of the deceased.

There were protests from all sides about that proposal. It was wrong, first of all, because the Secretary of State decided everything himself on the certificate. Secondly, the grounds on which the Secretary of State could issue a certificate were far too wide. The real harm clause, for example, was very broad and it was confusing, because the Bill contains the exact same phrase later on which the Government admitted meant something different. Protecting witnesses sounded plausible as a reason for excluding the public, at least, from the full inquest, until in Committee the Government admitted under pressure from amendments that proposed giving a power to coroners to give anonymity to witnesses that coroners already have extensive powers to protect the identity of witnesses by the equivalent of anonymity orders and to impose all the special measures that are open to criminal courts when it comes to protecting identity and protecting witnesses. The broad grounds therefore made no sense.

Thirdly, the removal of the jury raises a fundamental point. Juries do not come into inquests in many cases, but when they do, it is because the case is a crucial one—when someone has died at the hands of the police or in custody, and where there are serious questions about the responsibility of the state for the death. It is unquestionably a crucial part of public confidence in the state, the police and the Prison Service that there are ordinary people in the jury to make the judgments in such cases.

Mr. John Gummer (Suffolk, Coastal) (Con): Does the hon. Gentleman not agree that a crucial part of this issue is that juries can be a flipping nuisance to the Government in such circumstances? Does he agree that the real fear is that the Government are trying to make the change because they do not like to be embarrassed by 12 good men and women and true?

David Howarth: I am afraid that the conclusion that I have come to is that that is right. I will come back to that point later, when I address how the Government have changed their proposals, because the changes have not dealt with that precise point.

6 pm

The fourth reason why the Government's original proposals were objectionable was that the family were excluded. A situation in which the family hear only the bare verdict and no explanation of what has gone on, after having been removed from the proceedings, is completely unsatisfactory. The family will not feel that any explanation of what happened was available to them, and are sure to have very little confidence in what happened.

The Government have changed their proposals to some extent. The Secretary of State will still decide on the matter of the certificate. When the certificate is issued, it will still have the effect of removing the coroner—it is interesting to ask why Governments do not trust coroners, to come back to the point made by the right hon. Member for Suffolk, Coastal (Mr. Gummer)—but it will replace the coroner with the supposedly more trustworthy High Court judge. The Government have made a concession, which means that at that point, instead of the jury being removed automatically, the High Court judge will consider whether to remove the jury. That is the first change.

Secondly, the grounds on which a certificate can be issued by a Secretary of State have changed slightly. The catch-all

"real harm to the public interest"

provision has been scrapped, but the other four grounds are still there.

Mr. David Heath (Somerton and Frome) (LD): Has my hon. Friend received any satisfactory explanation from the Lord Chancellor, or indeed anyone else, on why it is necessary to include the second ground—

"the relationship between the United Kingdom and another country"—

outwith the grounds of "national security" and "preventing or detecting crime"? Why should we be in the extraordinary situation of including a novel procedure to protect the agents of another country from, it appears, embarrassment?

David Howarth: My hon. Friend is right; the second ground, as a free-standing ground, cannot have anything to do with national security, because that is covered by the first ground. The second ground can only be about embarrassment.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I suggest to the hon. Gentleman the kind of embarrassment that the Government have in mind? A victim of extraordinary rendition being killed during that process, or somebody who is questioned in Guantanamo Bay dying under interrogation—that is what the Government are worried about.

David Howarth: Yes, I agree with that, although I suppose that the Government might argue that those are national security grounds.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): Is clause 11 not almost lifted from the Official Secrets Act, and does that not tell us a lot about the Coroners and Justice Bill?

David Howarth: The hon. Gentleman is probably right. One can always tell quite a lot about legislation by the templates that are used, and where they are from.

Mr. Dominic Grieve (Beaconsfield) (Con): I take the view, on reading the clause, that the application must be intended to be much wider than national security, because all the examples that we have just heard might conceivably be caught by national security. It seems to me that embarrassment, in this context, means exactly that. I find it troubling that the Government should consider the embarrassment of their relations with another country, when that falls short of being a matter of national security, to come into the criteria at all.

David Howarth: That is correct. It is of course possible that what is envisaged is not so much the rather more shameful sort of case to which the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) referred, but the still embarrassing matter of death through friendly fire.

Andrew Mackinlay (Thurrock) (Lab): Is not the truth that there is a quid pro quo between the United Kingdom and some of its friends, particularly—but not exclusively—the United States? Our Intelligence Services Act 1994 makes lawful in English law any activities that our agents undertake abroad, and vice versa. Basically, in United States law, and in some other countries, it would be possible for someone to bump off a person in the United Kingdom, but those countries do not want to go there because we have reciprocal arrangements. That is the truth; it is the scandalous UK Intelligence Services Act 1994, and comparable Acts in other countries, that are covered by the provision about not causing embarrassment to other states.

David Howarth: The hon. Gentleman gets to the heart of the reality of the special relationship. There are later amendments on foreign conspiracies, and he will be able to raise that point directly in debate on them.

Rob Marris (Wolverhampton, South-West) (Lab): I am grateful to the hon. Gentleman for giving way; he is being very generous. I say this as a citizen of Canada, one of our closest allies: the passage to which he refers could relate not to embarrassment—I quite take his point on that—but to the national security of another country.

David Howarth: The central point is that national security is taken as a separate ground; it is the first ground. Separate from that, there is the ground of relations with a foreign power. Separate from that are matters to do with protecting witnesses, and separate from that is the issue of the prevention and detection of crime. Those are separate grounds. As I said right at the start of my remarks, no one questions the need for certain proceedings at certain times to be held behind closed doors for national security reasons, but that is different from what is covered in the second ground.

Rob Marris: Is the hon. Gentleman saying that the two words in the new clause—"national security"—encompass the national security not only of the United Kingdom, but of another country?

David Howarth: If the hon. Gentleman is referring to new clause 14, the answer is no; in the new clause, "national security" is the national security of our country, and our country alone.

Mr. Paul Keetch (Hereford) (LD): So far as I am aware, no coroners involved in certain military operations have made complaints about the existing arrangements for inquests. If the existing arrangements seem to work well, why is it necessary to add an extra element, when the existing element relating to national security appears to cover everything?

David Howarth: My hon. Friend is right: the complaints about the system do not, in this case, come from the coroner service, but from outside it. We are talking about a political matter, rather than just a legal or technical one within the service.

Mr. Mike Hancock (Portsmouth, South) (LD): My hon. Friend has said more than once that he agrees that there are occasions when, for national security reasons, juries might be excluded. I certainly do not believe that that should be the case. Does he concede that there are times when the family have no right at all to be represented in the courts? Once again, I certainly do not share that view. Can he conceive of any circumstances in which a family should not be present when an inquest is being carried out on a family member?

David Howarth: My hon. Friend should be clear that our new clause 14 never allows a jury to be excluded, no matter what the circumstances. That is where we fundamentally differ from the Government. In fact, the Government's concessions are insufficient precisely because they still allow the jury to be entirely removed. My hon. Friend mentions the question of the family. Our new clause allows the family back in—well, technically, it gives the coroner the discretion, in every case, to allow the family back in. Under the Government's proposal, the family are still excluded in all circumstances. The Secretary of State, and the Under-Secretary of State for

[David Howarth]

Justice, the hon. Member for Lewisham, East (Bridget Prentice), are shaking their heads—perhaps they want to intervene—but there is no provision in the Government's proposals to allow families back in once they have been excluded.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): May I take the hon. Gentleman back to what he said about friendly fire? Was there not a rather famous case, about two years ago, involving the deputy coroner of Oxfordshire, in which American fighters had killed some British servicemen, and the videotapes were not released? Is not that a case in which it might be useful to use such a provision?

David Howarth: That is entirely possible. There is interesting speculation, let us say, about the origin of the sub-paragraphs of clause 11(2)(a). One explanation is that they have to do with relations with the United States and friendly fire cases. However, another historical explanation has been given, and should perhaps be put on record. It is that objections came from the Metropolitan police because of what happened in the Rodney case, in which a young man was shot by the police. The inquest was not able to continue because of the problem—it was at least seen as such at the time—of wire-tap evidence not being admissible. There might have been other problems to do with the legality of intrusive surveillance. That is another possibility for the origins of the provisions.

John McDonnell (Hayes and Harlington) (Lab): Under the existing system there is already the opportunity for the coroner to take into account issues of national security. If the Government are concerned about the security of other nations—I can understand that being a concern—could they not make that more specific in the Bill instead of the rather broad concept of a relationship with another country?

David Howarth: That is absolutely right. Throughout the passage of the Bill I have been trying to pin the Government down to putting into the Bill what they really mean, as opposed to making the clauses as broad as they can, either to obscure what they really mean or just in case they need something else later. The central problem still relates to the jury and the family. Why exclude the jury in the circumstances under discussion?

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): In my remarks I will deal with the jury issue, which is central. To reassure the hon. Gentleman in respect of the family, there is no suggestion that the family should be excluded, even were there to be an inquest conducted by a High Court judge rather than with a jury, except from the protected material. The rest would be as before.

David Howarth: The trouble with that is that in many cases the protected material seems to be implicated in everything that happens in the case—*[Interruption.]* The Secretary of State says that that might be only a tiny part, but these cases are all of a piece. All the bits of evidence come together to build up a picture, and if one has only part of the picture, how does one explain the difference? One can explain it only if there is some means of finding out what was in the protected material. In practice, once the family had been excluded from the protected material, I do not think that it would be possible to let them into the rest of the case. That is a serious problem.

Mr. Henry Bellingham (North-West Norfolk) (Con): I take the hon. Gentleman back to the Azelle Rodney case which, as he rightly pointed out, ground to a halt because of problems over intercept evidence. He will be aware that clause 13 allows intercept material to be admissible in inquiries in certified investigations, but if it were allowed in all inquests, surely that would easily sort out the Azelle Rodney case. Does the hon. Gentleman agree that it is extraordinary that the Government originally based their entire case in support of clause 11 on two inquests? One is now back on track; the other is that of Azelle Rodney, which could easily be resolved by allowing intercept evidence.

David Howarth: I believe that the hon. Gentleman is correct. The whole issue could be resolved by generalising the principle that the Government have already conceded—the principle of allowing intercept evidence into inquests. The problem from the Government's point of view is that they will concede that point only when the jury has gone. That seems quite wrong and it comes back to the central problem. For some reason, the Government have concluded that juries are dangerous outsiders, which brings us directly back to the point made by the right hon. Member for Suffolk, Coastal. It is as if the world could be divided into the reliable and the unreliable, and the easiest way, according to the Government, of finding out whether somebody is reliable or unreliable is to ask whether they are a servant of the state. If they are a servant of the state they are presumed to be reliable, and if they are an ordinary member of the public, they are presumed to be unreliable. That has only to be stated to demonstrate how ridiculous the position is.

6.15 pm

Mr. Grieve: The hon. Gentleman will recollect that the Government's current position is that they are working towards allowing intercept evidence to be available in criminal trials with juries. We may never get there, but that is the stated intention. If they ever reached that point, it would be difficult to see how the argument in relation to inquest juries could be tenable any longer.

David Howarth: That is entirely correct. I do not understand why the Government see this as the thin end of the wedge, when in the end they are in favour of hammering in the wedge completely.

There might be other problems in the Rodney case mentioned by the hon. Member for North-West Norfolk (Mr. Bellingham), but those problems have to do with the admissibility of illegally obtained evidence, which could be dealt with in a completely different way, not by removing the jury.

Mr. Hancock: May I return to the issue of the family and the protected information? Can my hon. Friend conceive of a situation where it is possible for the family to be excluded because the information presented was protected yet the subject of that information was the cause of their loved one's death? How can that be right in any court in any circumstance?

David Howarth: The Government seem to think there is some way in which the family could understand the whole case except for the most important part. That cannot be satisfactory.

What can be done instead is for the coroner to take measures to protect the identity of police undercover agents and informers, for example, to make sure that those people are not endangered by the information's coming out, and when that has been done, to allow the family back into the proceedings. They will then find out the nature of the events that led to the death of their relative. They do not need to know the exact identity of police informers or of undercover officers to understand that.

The Government's attempt to change their proposals should to some extent be welcomed, because they are moving on the issue, but like many other hon. Members I do not believe that they have moved far enough, especially on the crucial question of the jury and on families. What will happen when the Secretary of State says to the court, "Judge, the following information is protected. Remove the jury in this case on the basis of what we tell you." What other information, at that point, will the judge have? The judge will have only the information from the Government. Given the nature of the proceedings, they will have to be held in camera, and will be practically unchallengeable.

Even if the Government come up with a variety of reasons why the House should not accept our new clause 14, which is our attempt to put forward an alternative to the Government's proposal, it is entirely fair to expect them to justify their new proposals. For that reason, I shall seek at the appropriate time to divide the House at least on amendment 2, which has the effect of removing clause 11.

Mr. Straw: It may assist the House if I try to respond to the points made by the hon. Member for Cambridge (David Howarth) and explain the changes that we have made in the amendments before the House, which are intended to meet the understandable criticisms that were raised on both sides of the House about the original proposals.

I note that the hon. Gentleman said that he welcomed the proposals but that they did not go far enough. In their parliamentary briefing the Bar Council and the Criminal Bar Association did not qualify the welcome that they gave, as the hon. Gentleman did. Since the Criminal Bar Association and the Bar Council are no mean critics, quite properly, of proposals from this Government and from previous Governments, I ask the House to take account of what they said. I shall read it out in full:

"The Bar Council welcomes the Government's amendments which fundamentally recast the proposals for certified investigations in three important respects: first, the criterion for the Secretary of State's certification is to be significantly tightened. Secondly, the Secretary of State's certificate will trigger consideration by a High Court judge sitting as a coroner. Thirdly, it will then be for the judge, not the Secretary of State, to decide whether it is necessary to hold an inquest without a jury or whether special measures with a jury would be adequate to protect the sensitive information concerned (with a right of appeal to the Court of Appeal.)"

The briefing repeats:

"The Bar Council welcomes the change in Government policy."

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Has my right hon. Friend looked at the comments made by the Royal British Legion in respect of the families affected by the case that has been mentioned? What answer can he give the legion and the bereaved families, who see the inquest system as their opportunity to get a final answer about the death of their loved ones? Will my right hon. Friend's mechanism allow them to get that final answer?

Mr. Straw: Absolutely. The whole purpose of the Bill's provisions on coroners is to strengthen and improve how the coronial system operates—not least in respect of military inquests investigating cases in which relatives have lost loved ones who were serving the country. There will be a chief coroner, who will be a High Court judge, and a deputy coroner, and there will be much greater co-ordination between coroners; we will be able to provide a better service than what has been possible until now. Furthermore, there will be proper rights of appeal when there are concerns. It will no longer be necessary judicially to review coroners' decisions, because proper rights of appeal are embedded in the Bill.

I fully understand the important points of principle raised by the issue—which is narrow, as I shall explain—of whether there will be circumstances in which the court might decide that the only way forward would be without a jury. There are two excellent examples, both of which have been raised by the hon. Member for North-West Norfolk (Mr. Bellingham). Neither example—although there is now only one—involved the death of a military serviceperson.

Mr. James Gray (North Wiltshire) (Con): On the question of military inquests, the curiosity of the right hon. Gentleman's proposed changes is that the vast bulk of such inquests are already heard with no jury. The coroners handle perfectly well the issue of what must and must not be secret, and the families are always there. Why should that perfectly good system be changed into a certification procedure involving the High Court?

Mr. Straw: There is not a good reason in respect of the inquests to which the hon. Gentleman has referred.

I shall detain the House without taking interventions to go through the changes that have been made. In respect of the system being set up, it is my wish that the occasions when the court—not Ministers—comes to the view that an inquest without a jury is necessary will be very few and far between, and we do not anticipate that military service inquests will be involved.

I want to pick up the wording of the Bar Council and go through the fundamental recasting of the proposals. First, the criteria in the amendments have been significantly tightened. I shall come to the issue of the relationship between the United Kingdom and another country, but first I ask Members to look at amendment 94. Three criteria are set out. Paragraph (d) states that the Secretary of State has to be

"of the opinion that it is necessary for the inquest to be held without a jury in order to avoid protected matters being made public or unlawfully disclosed."

Not only were the criteria wider before, but the Secretary of State had simply to be "of the opinion"; now he or she would have to be

"of the opinion that it is necessary".

[Mr. Straw]

We have greatly reduced and tightened the criteria; what were generally regarded, including by me, as catch-all criteria have been removed altogether.

There does not seem to be any argument in the House about the interests of national security or the prevention or detection of crime. As far as the relationship between the United Kingdom and another country is concerned, there is no suggestion whatever that such conditions should be used to cover up embarrassment on the part of the United Kingdom; that would be not only a preposterous but a worthless exercise for any Secretary of State, as I shall explain.

In evidence to the Joint Committee on Human Rights, the Under-Secretary of State for Justice, my hon. Friend the Member for Lewisham, East (Bridget Prentice), set out in detail an example in which we had co-operated with a foreign country over the detection and interception of drug dealers; for the reasons given, that would not necessarily come under national security or the detection or prevention of a crime. If the circumstances of our involvement were to be disclosed, that could not only seriously disrupt our relations with that foreign country, but lead to a lack of co-operation on central issues relating to our and that country's interests.

Mark Fisher (Stoke-on-Trent, Central) (Lab): Was not the case to which the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) referred, which came in front of the Oxford coroner about two years ago, exactly that—somewhat embarrassing to both the American Government and ours? It involved friendly fire that had killed our service personnel. Was not what the Secretary of State has mentioned behind the suppression of those inquests? How are such issues being resolved? I do not see that they are.

Mr. Straw: I shall explain that in a moment. The decision will not be made by the Secretary of State; we are strengthening the law in this respect.

Mr. Hogg: Unlike my party's Front Benchers, I am prepared to accept that there are a number of cases for which jury-free inquests can properly take place. However, the bar has been set too low. We have been told that the Secretary of State would have to be "of the opinion"; that is a low standard. If we look at the certification process when the coroner is making the determination, we see that the High Court judge has only to be satisfied—on the balance of probabilities, I suspect. If the right hon. Gentleman increased the test so that it involved satisfaction beyond reasonable doubt, I would be with him.

Mr. Straw: I am grateful to the right hon. and learned Gentleman for his acknowledgement that there is a problem with which we must deal. There is, and that view is widely shared. We have made a fundamental change with these proposals, and to those who say that the parliamentary process does not work, I simply say that it does. Bluntly, these proposals are a million miles from how they started out in the original Counter-Terrorism Bill. Under the original proposals, the Secretary of State was to be of the opinion that there should be no jury, and his or her decision was to have been final—subject only to the possibility of judicial review. Furthermore, he or she would then have appointed the coroner. This Bill is completely different. I am certainly open to further consideration in the other place about how we should further tighten the criteria without losing the whole purpose of the measures.

I turn to the second, really important limb. Even under the proposals originally presented by this Bill on publication, the Secretary of State was to have triggered the decision on whether there should be no jury—although the inquest was to have been held by a High Court judge rather than by an ordinary coroner; that was an improvement. I invite the House to turn to amendment 97 to see how these proposals differ. The Secretary of State makes a certification. There have been suggestions that the certification should be made by the court. However, the courts have always been reluctant to stand in the shoes of the Executive when it comes to judgments about national security. They do not want to make those decisions, as was made clear in a series of judgments, including by Lord Hoffman in the Rehman case.

David Howarth: To the extent that the right hon. Gentleman is right, that still does not explain why the other criteria are still in the Bill—the criteria about relations with a foreign state or, especially, the prevention and detection of crime and protection of witnesses. Especially on the last two, the Secretary of State has no comparative advantage over the rest of the legal system.

6.30 pm

Mr. Straw: I understand the point that the hon. Gentleman is making. One could argue that those decisions should be made ab initio by the court, although I do not. The court will make the decision, but someone has to trigger the process—the court cannot start it of its own volition—by saying that there is a real problem; it could be the prosecution. There comes a point where an application is made to the court for it to make a decision about whether it is really essential—necessary—to dispense with a jury or to have other measures. At that point, the process set out in amendment 97 operates. As hon. Members on both sides of the House will see, it says:

"The judge holding an inquest as part of a certified investigation must hold it without a jury if…there is a protected matter that would need to be revealed to the jury…in order for the jury to be able properly to discharge its duty"

or

"to avoid a breach of…Convention rights"

and, under limb 2,

"the judge is satisfied that it is necessary to hold the inquest without a jury in order to avoid the matter being made public or unlawfully disclosed."

It is the judge who has to be satisfied. The next limb talks about circumstances in which the judge operates with a jury. The Bill plainly anticipates that it is for the judge to determine whether this is necessary.

There is no way that any sane Secretary of State would, for trivial reasons—or for reasons of embarrassment to the Government, to pick up on the point made by the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd)—sign an application and make a certificate only to have his head scrubbed by the learned judge for coming forward with an application that was trivial and unfounded. Applications will be made by the Secretary of State where he or she believes that it is necessary not

to have a jury but the court comes to a different decision. I very much hope that that will happen, and the Secretary of State is put to proof. The court will anxiously examine whether there are any other measures short of dispensing with a jury that could meet the requirements of the law.

One of the options that the court could consider is the so-called gisting of secret evidence to be put before the jury. Gisting, whereby the gist of secret evidence is summarised, has been used on several occasions; I understand that it was used in the de Menezes case. Some argue that if the de Menezes case proceeded satisfactorily without dispensing with a jury, that could apply in all cases. There may be cases—we think that there is one at the moment—where it is likely to be the judgment, on application to the court by the Secretary of State, that dispensing with a jury is necessary. The de Menezes case shows that the courts have been ingenious and imaginative in setting down certain conditions by which highly sensitive information is protected and, none the less, the jury is able to get to the full facts. One of the processes for that is the gisting of such protected matters.

Under this measure, there is no question but that a certificate would be signed and there would then be an application to the court. It is the Secretary of State who is put to proof to make his or her case. I understand all the arguments made in favour of juries being used in these cases. The judge would, quite properly, lean over backwards to see whether it is possible to meet the concerns of the Secretary of State without having to dispense with a jury. Only in very exceptional cases—they would be few and far between, but they may arise—would the judge come to the view that a jury should be dispensed with.

Mr. Grieve: I have always appreciated that this is a difficult issue for the Government. The right hon. Gentleman seems to be making a compelling argument for the maintenance of the status quo, because there appear already to be several ways through these problems to enable inquests where juries are required to take place with juries. Does not that rather weaken the new framework that he is trying to put in place? I have always accepted that the amendments that he has tabled are a considerable improvement, but they are insufficient.

Mr. Straw: What the hon. and learned Gentleman suggests is likely to be so in the vast majority of cases. I anticipate that the phrasing of the amendment means that applications will be few and far between, still more so the granting of those applications. That is a good thing, not a bad thing. I can envisage what may happen from my own experience of being responsible first for the Security Service and then for the Secret Intelligence Service and GCHQ, when some intercept or intercept-related evidence was so sensitive that one could not risk its going beyond a High Court judge. Any Secretary of State faced with that situation may decide to resort to not proceeding with an inquest but instead going down the route of an inquiry under the Inquiries Act 2005, which would have the effect of dispensing with a jury. That would be article 2 compliant, because there is no provision for juries in the European convention on human rights. This debate may be slightly uncomfortable, but I do not want to achieve that—I want to achieve a situation whereby the Secretary of State is never faced with that decision but always has to go to the court.

Mr. Grieve: I wonder if the Secretary of State is correct about this. The reason for having an inquest—one of the main criteria, as defined in the case of Amin—is to satisfy the families, not to provide an explanation for the benefit of the state alone, yet the system that is to be set up will never satisfy families. In those circumstances, it would be better to take the inquiry route, which would of course lead to a great deal of condemnation but would at least be clear that there is no attempt to skew the coronial system in a way that was never intended. I feel strongly that what he is trying to do, doubtless for good reasons, will undermine the system, not enhance it.

Mr. Straw: The hon. and learned Gentleman has made an interesting choice. I commend him for doing so, but it is a much less acceptable choice than the one that I have made and commend to the House. Let us be clear about this. He is saying that there could be circumstances where it would not be possible to hold an inquest with a jury, and therefore it should be for the Secretary of State to decide to hold an inquiry under the Inquiries Act, with as much accommodation for the family as possible. I am powerfully committed to the use of juries in such cases, as in others, but it does not follow that an inquiry without a jury will never satisfy the family. The decision will be made by the Secretary of State and it cannot be tested except under judicial review. In this system, however, scrutiny by the court will be much more intense than it would be under judicial review, because it will be for the judge to make the decision not to review others' decisions.

Mr. Grieve: The problem with the planned system is that once it is on the statute book, it will be used far more frequently than any resort to inquiries under section 2 of the Inquiries Act. Once the system is an established procedure, it will be quite easy for Secretaries of State to make applications and, in a sense, to exonerate themselves from the onerous aspects of the responsibility. They will say, "The procedure is there. Parliament has set it up. There are instances in which coroners inquests can take place without a jury, even though they ought to be one." If I may say so, the Government have approached this process from the wrong direction. Because of that—although I have some sympathy with the Government's position—we will support amendment 2 to delete clause 11. The Government have not made the case that the proposals are the right way forward. Other means already available, which do not require quite so much soul-searching on our part, may be used, but only in the most extreme circumstances. However, I fear that the provisions in the Bill will be used more often.

Mr. Straw: I simply disagree with the hon. and learned Gentleman. It is of note to the House that the position of the official Opposition is—

Mr. Grieve: No, it isn't.

Mr. Straw: With great respect, I have not even finished my sentence. Their position is very different from that taken by most of those who signed the amendment to delete the existing clause 11. The hon. and learned Gentleman accepts that there can be non-jury inquests, but he also says that their use should be determined by a Secretary of State under the Inquiries Act 2005 procedure,

[Mr. Straw]

and not by an independent judge. His substantive argument is that the measures in the Bill would encourage applications, and that there would be more of them, but I do not accept that. I would be perfectly happy to have a small wager on it with the hon. and learned Gentleman. If he follows the approach of the courts, common law principles about open justice and the quite proper attitude taken by the High Court and the Court of Appeal—and ultimately by the Law Lords—he will understand that the idea that they will act as a patsy, or putty in the hands of a Secretary of State who thinks, "Oh, there is a tiny embarrassment here. Let's go for a non-jury inquest", is frankly nonsense.

Mr. Heath: I wonder whether the Lord Chancellor overstates a judge's latitude for determination in this matter. From my reading of amendment 97, the judge does not have the capacity to determine more than whether a protected matter would need to be revealed in order for the inquest to take place, and that it would therefore be necessary to hold an inquest without a jury in order to prevent it from being revealed. The judge does not appear to enjoy the clear latitude to determine whether the certification process that the Secretary of State undertook is, of necessity, correct. Perhaps I am misreading the amendment.

Mr. Straw: I think that the hon. Gentleman is misreading it. The judge has to decide that it is necessary to hold an inquest without a jury to avoid the given matter being made public or being unlawfully disclosed. As the de Menezes case made clear, plenty of other measures can be used, including gisting, which is an important consideration, to ensure that those disclosure criteria are met.

John McDonnell: The concerns that we have all expressed about there being an open door on this matter are similar to those we expressed about surveillance issues. In that context, the Government assured us that such surveillance would be conducted only in narrow circumstances, but the door was then opened to a far greater use of surveillance. My right hon. Friend is dwelling upon a contradiction. He has argued that the court is loth to interfere and judge on matters of national security, but decisions in such matters will be dependent on the Government's interpretation of national security. Several of us are anxious that the jury system will be lost in such cases purely on the basis that the High Court will always allow the Government's argument in such instances.

Mr. Straw: I understand my hon. Friend's point, but I would just say this: it will be for the Secretary of State to make a judgment on national security grounds, or the other grounds set out, but doing so does not determine whether a jury is dispensed with. The Secretary of State will have to go to the court, and it is for the court to say, "We do not necessarily disagree with your judgment on national security"—it may do, because it may think that it is unreasonable—"but we disagree with your view. It is up to us to make the judgment, which is clearly spelt out in amendment 97, about whether or not a jury should be dispensed with." That is the difference. A crucial distinction is being made between the Secretary of State essentially initiating the application and the learned judge dispensing with it.

6.45 pm

Mr. Gummer: The Secretary of State's defence would be easier to follow if he had not turned through 180 degrees. At the moment, he is telling us that the terms are all right because they are terribly narrow, but he has just told us that the amendment is light years away from what he wanted in the first place. He must accept that most of us approach his present explanation with a certain amount of suspicion. He started off wanting a huge opportunity to do what he wished; now he says that the remit will be very narrow. I put it to him again: would it not be better to have a system where, in such important circumstances, one would have to go down the potentially embarrassing route of having an inquiry? No Home Secretary would do that without considerable thought. That must be true, and the Secretary of State has made it true by starting off by asking for powers that were manifestly unacceptable.

Mr. Straw: My point about the measures before us being light years away related to the Counter-Terrorism Bill, which was a Government Bill, and the measures in it were very different. The right hon. Gentleman must accept that the House cannot have it both ways. It cannot say that it wants Ministers to listen to the arguments, then criticise them for so doing. People need to make up their minds.

Mr. Andrew Dismore (Hendon) (Lab): My right hon. Friend is right when he says that article 2 does not require a jury, but it is fair to say that the jury trial is one of the principal features of common law. He is also right to say that the Government have made a lot of progress, but that raises the question whether the changes were needed in the first place. The key point about article 2 is the need to involve families throughout. My right hon. Friend referred to gisting, and I put to him what happened in the Rodney case in which gisting featured and which the coroner ruled was inadequate. When I read the coroner's judgment, I questioned whether he took the right approach to that issue. If we analyse the Rodney case properly, rather than just looking at it as a piece of hard law, we may find that there may have been a different conclusion if the matter had been tested in the courts. Has my right hon. Friend looked at the judgment of Mr. Justice Weatherup in the Northern Ireland case of McCaughey, which sets out simply and straightforwardly the public interest immunity process, and which would solve my right hon. Friend's problems?

Mr. Straw: In the light of the overall changes being made, there will be a far greater opportunity for appeals against decisions by coroners than under the existing system. Such inquests will, in any event, be handled by the chief coroner or by another High Court judge on his or her behalf. Forgive me, what was my hon. Friend's second point?

Mr. Dismore: I asked my right hon. Friend about the case of McCaughey in Northern Ireland.

Mr. Straw: Public interest immunity is used in inquests, and the process worked successfully in the de Menezes case. The only problem is that it cannot be the only measure used to protect material in inquests because if a PII application is rejected, unusually, by the court in a

criminal trial and there is a risk that protected material would be put into the open court, it is open to the prosecution to withdraw altogether. That option does not exist in inquests.

Mr. Hogg *rose—*

Mark Fisher *rose—*

Mr. Straw: I will give way to the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), followed by my hon. Friend, and then I need to bring my remarks to a close.

Mr. Hogg: I am slightly embarrassed because I seem to be the right hon. Gentleman's only friend in this place on this occasion. It is important that the House should know what is meant by the phrase, "the court is satisfied". I cannot help feeling that the House would be much happier if it thought that the court had to be satisfied beyond a reasonable doubt. If he would include that provision in the Bill, I suspect that he might get a lot more consent and support than he is getting at the moment.

Mr. Straw: The court must be satisfied that it is necessary, which is a high test. It will be for the courts to decide what the burden of proof is. People may disagree with the criteria, but it is a high test.

Mark Fisher: Like Opposition Members, I recognise that the Government have moved a long way on the matter, but they have sought to replace a provision that Members of all parties felt was dangerous and unreasonable with an extremely complicated paraphernalia of protections and clauses.

I recognise that the Secretary of State has substantially removed himself from the process, and that is to be welcomed. However, is it not the case that despite the amendments that he has tabled, families, particularly of armed service personnel who have been killed, will still not be able to know in what circumstances their son or daughter was killed? That surely cannot be satisfactory. Would it not be simpler to delete clause 11 altogether?

Mr. Straw: I do not accept that. We are talking about exceptional and difficult cases in which there is material that everybody agrees has to be protected. The family will not be excluded from an inquest save when the protected material is being dealt with. One can anticipate circumstances such as in the de Menezes case, when PII applications were accepted and some evidence was gisted, so neither the family nor the jury heard the full evidence. I am clear that in those circumstances, whether or not a jury is present, the coroner will lean over backwards to ensure that the family and jury are given the maximum information. There will also be special counsel in those circumstances to act on behalf of the family, although I know that that is not an adequate alternative. There is no requirement in convention rights for there to be a jury.

I do not criticise people who make the judgment that there should be an inquiry under the Inquiries Act, but I believe that it is the wrong judgment. Exactly the same issues would arise, such as what evidence the family could hear. Deleting clause 11 would not deal with the problem that occasionally, inquests will be held without a jury and information will have to be gisted or summarised to the family. The difference is that the decision will be made by a judge under the Bill and would be made by the Secretary of State under the Opposition's proposals.

Mr. Tim Boswell (Daventry) (Con): The Secretary of State spoke about the conditions under which special counsel would be appointed, and I thought that I heard him say that if protected evidence was withheld from the family, for example, special counsel would automatically be available to that family. Can he confirm that that is the case?

Mr. Straw: There will be a special counsel to the inquest.

Andrew Mackinlay: I have given notice twice in the House that I wished to raise the question of the inclusion of Northern Ireland in schedule 9, a matter that is covered in this group of amendments. I notice that clause 5(2) includes a provision to ensure that the definition of the purpose of an inquest complies with convention rights. If I may have the Secretary of State's attention, may I ask him whether he has noticed that that does not extend to Northern Ireland? If it was considered right that that definition should comply with the European convention, why was it not extended to Northern Ireland?

Schedule 9 amends the Coroners Act (Northern Ireland) 1959, but clause 5 relates only to the 1953 England and Wales legislation. If I catch your eye later, Mr. Deputy Speaker, I wish to say that the whole of the Northern Ireland provisions should be taken out of the Bill, because they have been sloppily drafted, quite apart from political considerations. I urge the Secretary of State to address the fact that clause 5 does not extend to Northern Ireland. He and his colleagues and civil servants should recognise that and at least indicate that it will be amended in another place.

Mr. Straw: Amendment 120, to schedule 9, will amend the relevant Northern Ireland legislation, but I am certainly happy to consider my hon. Friend's points. The arrangements have to be slightly different for Northern Ireland, for reasons that I think everyone accepts. I shall come back to that later.

I have made my point and discussed a number of amendments. We have considered the proposals carefully, and I do not believe that the scheme is overly complicated. It provides for Secretary of State certification according to strict criteria, an application to a High Court judge and a decision by that judge one way or the other, and a right of appeal to the Court of Appeal. It is my judgment that that process is fair, above all to the families, and better than what we have now established the Opposition believe is the only alternative—an inquiry established under the Inquiries Act by fiat of the Secretary of State.

Mr. Grieve: I am grateful to the Secretary of State for the time that he has spent at the Dispatch Box dealing with the matters that have been raised. As I disagree with him and will, I believe, vote differently from him a little later, I shall start by saying that I am mindful of the extent to which the Government have moved on this matter. We are considering a very different set of proposals

[Mr. Grieve]

from those that were first presented to me in the summer, in my previous guise as shadow Home Secretary, when they were to be part of the Counter-Terrorism Bill.

I am also mindful of the fact that when the issues were discussed then, in the briefings that the Government provided me with they succeeded in making a case, if not a completely persuasive one, that there was a problem that had to be addressed. Although I believe that their latest proposals could be pushed further, particularly the extraordinary sub-paragraph about

"the relationship between the United Kingdom and another country",

which causes me serious problems, I accept that they have tried to move yet further on the matter.

The problem for the Opposition is that the Government have produced a beguiling proposal and said, "We have moved as far as we can, and we think that this is the fairest system we can devise", and are asking for our support. However, another voice makes itself felt within me, saying that there is absolutely no point in setting up a process to bypass the ordinary principle of the coroner system—that there will be a jury, particularly in cases of death at the hands of the state—if the result is that it will not command public confidence and support. It seems to me that nothing in the proposals that the Secretary of State has brought forward solves that problem.

If families are deprived of juries in coroners' inquests, those inquests will be devalued to the point that they effectively cease to be of any real use. I remind myself of what Lord Bingham said about the criteria by which coroners' inquests should normally take place, which bears repeating. He described those criteria as being

"to ensure so far as possible that the full facts are brought to light; that culpable and discreditable conduct is exposed and brought to public notice; that suspicion of deliberate wrongdoing (if unjustified) is allayed; that dangerous practices and procedures are rectified; and that those who have lost their relative may at least have the satisfaction of knowing that lessons learnt from his death may save the lives of others."

The principle is well established that "brought to light" means that the facts require public scrutiny.

7 pm

Mr. Hogg: I am sorry to disagree with my hon. and learned Friend, but High Court judges often have to rule on matters between the state and the individual—for example, in fatal accident cases and public inquiries. I have not heard the general proposition that the public are not willing to accept the verdict of a High Court judge—generally, I am and, generally, so are the public.

Mr. Grieve: I take my right hon. and learned Friend's point. Speaking as a lawyer and a barrister practising in the courts, I have rarely had difficulty accepting High Court judges' verdicts and judgments. However, the sort of inquest that we are considering will be highly emotive, give rise to serious public concern and be surrounded by a great deal of polemic, and the moderating influence of a jury, which I have extolled in other contexts in the criminal justice system—it also applies to libel cases—seems to be highly effective in reassuring the public that what is happening is not a procedure that is merely for the convenience of state authorities.

I say to my right hon. and learned Friend that the Hutton inquiry into the death of Dr. David Kelly is a classic example of an inquiry that may have been impeccably conducted, but I know from my mailbag that it has never succeeded in answering or resolving some of the basic questions that arose from the case.

Mr. Straw: I am doing my best to follow the hon. and learned Gentleman, but he has got himself into a cul-de-sac. His argument would be pukka, acceptable and internally consistent if he maintained that there were no circumstances in which it was acceptable to hold an inquest without a jury. However, that is not his position. His comments about Lord Hutton and an inquiry makes my point, not his, because exactly the sort of non-jury inquest that he supports is a one-off inquiry by a High Court judge, without all the procedural protections for which the Bill provides.

Mr. Grieve: I fear that the Secretary of State is not listening to me develop my argument. From the moment I mentioned "inquiry", he seized on the word and played around with it rather despairingly to try to persuade me and the House that there is a serious flaw in my argument. I do not believe that there is.

The inquiry route currently exists, but has hardly been used. When we considered 42-day pre-charge detention, we pointed out that the Civil Contingencies Act 2004 provided a mechanism in extremis for resolving an issue and extending detention, and that that was a better route than extension to 42 days. Although I have no desire for an inquiry to substitute for an inquest, if the problem is reduced, in the final analysis, to the one or two cases over a long period that the Government say they cannot take before a jury in an inquest—I still hope that ways to enable that to happen could be found, especially if we ever reach the point when intercept is admissible for all juries, and having vetted juries, if necessary—let the Government at that point come to the House, make a statement, after which there would doubtless be questions from hon. Members of all parties and polemic, and end up with the second best option. Although an inquiry may answer the Government's questions, I doubt whether it answers those of the public.

The Secretary of State's model is unsatisfactory because the way such things work suggests that every time an inquest presents a difficulty, instead of trying to find every means of resolving it in the existing system—the onus and pressure being on the Government to act in that way—there will be a temptation to say, "Well, we have a procedure voted on by Parliament, and we should go and see the judge, who'll make decisions and we may end up with an inquest without a jury." In my view, that is no better—and cannot be any better—than an inquiry, which will involve the polemic of the Secretary of State's coming here.

Mr. William Cash (Stone) (Con): My hon. and learned Friend will be aware of the crisis in the Mid Staffordshire NHS Foundation Trust, which is next to my constituency and in which many of my constituents were involved. He also knows that many complaints have been made. I have called for a public inquiry because, under the Inquiries Act 2005, it is necessary to compel witnesses and call for evidence on oath. Does he accept that that,

in those circumstances, as with the Legionnaire's inquiry for which I called in 1984 in different circumstances, an inquiry can provide a suitable method of getting at the truth? That is what we need to do.

Mr. Grieve: I am grateful to my hon. Friend, but we must be careful not to conflate two things. In circumstances in which, for example, many people may have died through lack of care in a hospital, there may be powerful arguments for holding an inquiry in any event, and different criteria apply. I want to concentrate on the individual inquest; otherwise we are in danger of being diverted from the main issue.

Mr. Gummer: Is not my hon. and learned Friend saying that, if the Government had started with a narrowly defined point to cover one case, it would be easier for the public to have confidence when they used that narrowly defined power, but given that they started with a much wider provision, the public must believe that the Government want a great deal more occasion for using their non-jury alternative? The Justice Secretary complains that the House cannot have it both ways, but we are not trying to: we are pleased that the Government have narrowed their case. However, the Justice Secretary cannot say that we should not be suspicious, given his starting point. Is not my hon. and learned Friend's solution therefore much safer?

Mr. Grieve: I agree entirely with my right hon. Friend. We cannot escape the starting point and we should not try to escape from the wording of clause 11(2) and the remaining wide criteria for making applications.

I was struck by the comments and questions of the hon. Member for Thurrock (Andrew Mackinlay) because anxiety has been expressed about how the provisions would apply in a Northern Ireland context. When the Minister of State, Northern Ireland Office, was taxed with the matter on 27 January on BBC Radio Ulster, he said:

> "The Secretary of State for Northern Ireland has indicated that he does not wish to use these provisions in respect of historic Northern Ireland cases. The MoJ and the NIO will work together to sort out the practical arrangements required to sort out this approach."

The impression conveyed at an earlier stage was that the Government would use the provisions in Northern Ireland because it suited their interests. However, I believe the Minister of State, Northern Ireland Office. The nature of such inquests in Northern Ireland is sensitive for a series of political reasons, and I have no doubt that the procedure that we are considering will never be used there because it is not deemed politically expedient that that should happen. However, that raises in my mind precisely the question why, if that can be done in Northern Ireland, where I have no doubt that public interest immunity matters will play a difficult part, we are apparently still being asked to enact the power in the wider context here. I am afraid that, for me, the matter comes back to the words in the wretched clause 11(2)(a)(ii) about

> "the relationship between the United Kingdom and another country,"

which probably played a major role in the decision to introduce the provision in the first place.

I may not have been in government over the past 12 years, but my experience of such legislation while I have been in opposition is that civil servants get very excited when it comes in, because they see it as a way of resolving all sorts of problems and getting them off hooks that they previously found difficult. They come along and put in a cornucopia of proposals, which then get transformed into something that completely overturns established principle and then, bit by bit, this House starts to ratchet them back.

I am grateful to the Secretary of State for entering into the spirit of this evening's debate, which has proved to be very useful. My conclusion, which I invite my hon. Friends to consider, is that the provision simply is not necessary. Although there may be inconvenience, although problems will remain and although Secretaries of State may not enjoy coming to the House and, in extremis, having to announce that they are going down the inquiry route, the truth is that if the provision is not necessary, there are ways through the problem that do not do what I consider to be the genuine mischief, which is to undermine confidence in the coroner's court system.

Mark Durkan (Foyle) (SDLP): Does the hon. and learned Gentleman recognise that not all of us are as confident as he is that the Bill will not be used in respect of what are called legacy cases in Northern Ireland? There are more than a couple of dozen inquests still outstanding from the troubles. We have received assurances and promises in the past from Ministers about what would or would not happen, only to see them set aside. Does he accept the point, which my hon. Friend the Member for Thurrock (Andrew Mackinlay) made earlier, that clause 11 will extend to Northern Ireland by virtue of clause 38, but that the mitigating effects—for instance, in clause 5(2) or in clause 30, in respect of the right of appeal—will not extend to Northern Ireland, so that we will potentially end up in an even worse situation than anywhere else?

Mr. Grieve: The hon. Gentleman makes some important points about other provisions in the Bill, which I was not going to look at. Nor can I give him a categorical assurance—I am not in a position to do so—about what might or might not happen, but I found the words of the Minister of State, Northern Ireland Office, very interesting, because I am sure that he made them advisedly. He made them in the knowledge that although the power would be going to his right hon. Friend the Secretary of State, there would clearly be a political imperative for him that they not be used, even if it might be convenient for them to be used, because, I suspect, of the disastrous political consequences of that happening.

I simply use that as an illustration of how there are other ways forward through the problem. For those reasons, and because I wish to bring my remarks to a close, as I know that many others wish to participate, we will—I hope with your leave, Mr. Deputy Speaker—seek to vote on amendment 2 and delete clause 11 in its totality.

Mr. Dismore: It is fair to say that the Government have been listening. The concessions that they have made are welcome, even if they have come somewhat late in the day and are not accompanied by explanatory

[Mr. Dismore]

notes or a human rights memorandum, which we would have liked. If it were necessary to have a special sort of secret inquest, the process advanced this evening would go a long way towards developing a model. It is not perfect, as has been said, but it could be improved. However, that prompts the question whether the provision is necessary in the first place. The Bar Council has fallen into error on that, because it has looked at the process, but not at whether the provision is necessary in the first place.

So far we have heard about only one case, the Azelle Rodney case, which, coincidentally and unhappily for the Government, occurred in my constituency and in which I have therefore taken a particular interest. Mr. Rodney was shot by the police in Hale lane, outside a pub where a lot of bemused clientele watched a hail of gunfire, and a few rounds going astray. It was rather surprising that the police were quite happy to talk to the local press about what had been happening—it was all in the *Hendon Times* and the *Edgware and Mill Hill Times*—but now things have clammed up for inquest purposes. My constituents are, not unnaturally, interested to find out what is going on given that somebody was shot on our doorstep.

7.15 pm

As I said in an intervention, however, the real question is whether what is proposed meets the requirements of article 2. The jury is important for common-law reasons—not for article 2 reasons—but the most fundamental issue is the right of the family to be involved and to know what is happening. That is potentially lacking from the process. The Royal British Legion put the matter quite clearly in evidence to the Joint Committee on Human Rights, by saying, on the point about foreign Governments:

"The objection of another country and/or diplomatic relations will be placed above the need for a grieving family to find the truth."

That is basically the problem.

We are also getting bogged down with the need for certainty in the way in which the issue is approached. An inquest does not proceed on the basis of something being beyond all reasonable doubt; it is not a criminal trial. The reason for holding an inquest is to find out what happened, what the circumstances were and what lessons can be learned, as has been said. An inquest is not a criminal process. Indeed, the Bill makes it clear that any inquest should not make judgments on criminal or civil liability. That is not what it is about.

Andrew Mackinlay: Can my hon. Friend explain the need for clause 5(2), which, to avoid doubt, says:

"subsection (1)(b) is to be read as including the purpose of ascertaining in what circumstances the deceased came by his or her death"?

With his human rights and lawyer's background, can he explain to us why it is imperative to include that provision and how deficient it will be if it does not extend to Northern Ireland?

Mr. Dismore: My hon. Friend makes an important point. In fact, I have tabled some amendments to clause 5, so perhaps he might want to wait to hear those arguments later. Otherwise, I might set off on a train of thought that would not be relevant to the point under discussion.

The test for certification is still too broad. We are talking about not just intercept evidence but a wide range of intelligence material—and, indeed, other material altogether. There is the question of wider national security, but the real question is about relations with another country. The Azelle Rodney case, which is the only one that has been prayed in aid, did not concern relations with another country. The relations involved were those among the individual who was shot, his family, my constituents and Scotland Yard—pure and simple. We are told that the provision is about the protection of witnesses, yet the Bill includes a process for protecting witnesses in criminal trials that, if necessary, could easily be translated into a process for inquests. We are told also that the provision is about the prevention of crime, but again, similar processes in the Bill, in relation to the evidential basis for investigation, could have been transferred.

The question we need to ask is this: if the scheme had been in operation five or 10 years ago, would any of the controversial inquests that have taken place in the past five or 10 years not have been allowed to proceed, even though they were able to proceed under the existing regime perfectly satisfactorily, to produce a verdict one way or another and to give the families closure? My concern is that if the process had been in place in, for example, the de Menezes case or the Corporal Matty Hull case, it would have been all too easy for the Secretary of State to make a declaration or a certification and then we would have been none the wiser about what happened in either case.

Mr. Straw: My hon. Friend is arguing about what was in the Bill, not what the Government are now proposing. Given the experience of the de Menezes case, it seems to me that no judge faced with a similar set of circumstances will agree to dispensing with a jury, because plainly a satisfactory inquest was conducted with a jury in the de Menezes case. I would ask my hon. Friend to take account of what is now proposed, not what was in the Bill.

Mr. Dismore: My right hon. Friend is right about that, but there is still the question of how the judge may decide the case. We did not have that problem in the de Menezes case to start with. The problem is that certification can be challenged only by way of judicial review of whether the Secretary of State was right in his decision to certify something as being against relations with another country. The judicial review test is, of course, an awful lot higher than a simple appeal, which would have been an option. *[Interruption.]* The burden is more difficult for the people making a challenge. One option might be to say that the High Court judge could look at the certification under the normal appeal process and decide whether it was justified, without its having to satisfy the judicial review test, which would require a much higher standard.

Mr. Straw: My hon. Friend is arguing, in a slightly convoluted way, against going down the inquiry route proposed by the Opposition. The Bill, as amended by the amendments before the House, would provide for

the court to make such decisions without a judicial review, which would certainly present a higher bar for the families. The Bill will enable the families to go before a High Court judge who is considering whether to grant a non-jury inquest on the basis of the trigger of the certificate. Because it will be for the judge, not the Secretary of State, to decide, it will be an issue not of judicial review principles but of the merits of the case. The bar would therefore be set much lower for the family than it would be under what my hon. Friend seems to be arguing for, or under what the Opposition are arguing for.

Mr. Dismore: I am not arguing for the Opposition's case; I am arguing for my own case. I think that my right hon. Friend has misunderstood my point. The decision that is challengeable only by judicial review is the decision to put the case into the special process in the first place. Once it is in the special process, other appeal arrangements might well apply. However, the decision to certify it as being required to follow this process—and therefore to run the risk of all the other consequences for the families—is subject to the judicial review test. If my right hon. Friend were to say that the threshold that the families had to meet if they wanted to challenge the decision to certify in the first place involved the normal appeal route, that would be different. However, that is not what is proposed in the amendments tabled by my right hon. Friend. That is a key issue.

We can look at this question from a slightly different angle—in the context of the Binyam Mohamed case. The judges in that case would not go behind the Foreign Secretary's certificate over the material that came from the United States, even though they were clearly not happy with what they were being asked to do, because of the security considerations as certified.

Mr. Straw: There is no need for the families judicially to review the certificate of the Secretary of State, because they can go one better than that. They can have whatever the Secretary of State is seeking to request as a result of his or her certificate examined on its merits by the court. They could not do that under judicial review.

Mr. Dismore: I am sorry—I do not want to get into a legal argument with my right hon. Friend. I am happy to engage with him, but it might be a sterile debate, because I think that he is looking at this through the wrong end of the telescope. I fully accept that, once a case is in the special process, there are other options for the family to challenge various decisions that the High Court judge might make, through the normal appeal process—the Court of Appeal and so on. However, that raises the question of why the case is in the special process in the first place. The family cannot go behind the decision to certify it on grounds of national security or relations with a foreign country except by judicial review. The problem lies in the original decision to put the case into the process. If the family wants an ordinary, bog-standard inquest, the only way they can challenge that decision is through the judicial review process. That illustrates the difference between my right hon. Friend and me on this issue.

Rob Marris: The term "judicial review" is being tossed around the Chamber here, there and everywhere. Does my hon. Friend agree that, for some families, there will be cost implications? It is all very well for the Government to say, "You can have a judicial review" or "You can challenge this in court", but there will be cost implications for the families. It could be very expensive for them.

Mr. Dismore: My hon. Friend is right. There is a little twist to the cost issue, and that is the availability of legal aid for representation at the inquest, although that subject has not been selected for debate. If someone wanted to apply for legal aid for a judicial review case, they might well have to go to the Legal Services Commission and ask for special permission. Such a request would ultimately come back to the Ministry of Justice to decide whether legal aid should be granted for such a special kind of case. So, in the end, the Secretary of State or one of his Ministers would make the decision about whether legal aid should be granted to challenge a decision by the Secretary of State in the courts, by way of a judicial review, on the original certification. That seems a little unfair.

Moving on to the new process, the real issue is the involvement of the bereaved families. If we accept the proposed process, one issue that arises is the representation of those families if they are to be excluded from hearing part of the evidence. Would the judge coroner—for want of a better term—be able to appoint a special advocate to represent them? We know that the judge or coroner can appoint counsel to the inquest; that has always been the case. However, the purpose of that advocate will be to serve the inquest, rather than an individual party. In a complicated case, there could be half a dozen different parties, all fully represented by lawyers, yet the family might not be represented. One solution could be to have a special advocate process, but such a process would go beyond what is presently permitted by the system of appointing a counsel to the inquest. There should be a special advocate process in the Bill, to ensure that the article 2 requirement that the families be properly involved is met.

Mr. Hogg: There is considerable merit in what the hon. Gentleman is saying, but what it amounts to is that, if the process were sufficiently safeguarded, he would accept that there were circumstances in which there could be a jury-free inquest.

Mr. Dismore: As I have said, article 2 does not require a jury. The only basis on which one could argue that a jury is required is through the long traditions of the common law as it relates to the coronial process. We should not get too hung up on the jury issue. We should be much more worried by the fact that the key requirement of article 2 is the involvement of the family. I think that families would be a lot happier if there were juries in these cases, and the new process provides for a jury.

However, my main argument with the Government is the potential for the exclusion of the family from hearing certain aspects of the evidence. The existing system provides ways round that problem. My right hon. Friend has already mentioned gisting, and we know that the coroner in the Azelle Rodney case looked at the possibility of using that process. We are all getting hung up on that one case, but there is an old saying that hard cases make bad law. The Rodney case is a very hard case, and I think that it could result in our making very bad law indeed. That case did not go to appeal; all we had was

[Mr. Dismore]

the judgment of the coroner—in fact, I think it was the deputy coroner—of Hornsey, Coroner Walker, who was given the gist of certain redacted material but not given the rest. There was no question of his challenging that decision.

In the Northern Ireland case of McCaughey and Grew to which I referred, Mr. Justice Weatherup had to decide on that exact point. He stated very simply that the coroner was entitled to see the redacted material, and to decide whether it was of relevance to the inquest and whether it should be put before the inquest. That decision is then subject to judicial review by either side. The Government can challenge the coroner, but so can the family, depending on the ruling. That is not the only option. There is also the public interest immunity certificate process, which worked perfectly adequately in the de Menezes case, and countless others in Northern Ireland and elsewhere.

The eighth report of the Joint Committee on Human Rights deals with the Bill. Paragraph 1.38 sets out a whole series of options available to the coroner. It states that the law

"allows the Coroner to sit *in camera* on the grounds of national security (a very rare occurrence…), to rule on a claim of Public Interest Immunity…(a more frequent occurrence), to seek… undertakings of confidentiality from interested persons, to order reporting restrictions, and to order special measures for witnesses (including anonymity and provision to give evidence by video link)".

There is a whole series of possibilities, and they have been used in many highly difficult, contentious, sensitive inquests, including the de Menezes case, the friendly fire cases and the inquests into the Nimrod deaths. It has been possible to deal with all those under the existing system.

My main concern is that we are constructing a huge sledgehammer to crack a very small nut: one case—the Azelle Rodney case—which was probably wrongly decided by the coroner in the first place and not subject to testing through the appeal courts. If it had been tested in that way, the appeal courts might well have come up with a different ruling on how it should be processed, as we saw in the Northern Ireland case.

Gisting might well be the answer to the problem. If the gist of the material were made available to a coroner's court, whether there was a jury or not, no state secrets would be given away about how the material had been collected. As we do not need to have a decision beyond all reasonable doubt, that might well be satisfactory for the purposes of article 2.

Let me summarise my main argument. I am grateful to the Secretary of State for what he has done. He has moved a mountain in changing his proposals, but that still raises the question why we have to go through the process in the first place.

7.30 pm

Mr. Michael Howard (Folkestone and Hythe) (Con): It is not my primary intention to address the main question that has occupied the House so far in the course of this debate. That is not because I do not sympathise with the arguments put forward by my Front-Bench colleagues—I do, but they are able to deploy them effectively, as my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) has demonstrated, and I feel no need to add to them.

I would make two exceptions to that self-denying ordinance, Mr. Deputy Speaker. The first arises out of an answer that the Lord Chancellor gave—I was very surprised to hear it—to my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg), when they were engaged in debating the meaning of the phrase, "the court is satisfied". My right hon. and learned Friend sought to place directly into the Bill the burden of proof required for the court to be satisfied, and the Lord Chancellor, to my very considerable surprise, said that it should be a "matter for the court". Surely that should be a matter for Parliament; it is for Parliament to lay down the burden of proof, particularly on an issue as important as this one. It would then be for the court to decide whether that burden of proof has been satisfied. This point was reinforced by an answer the Lord Chancellor gave to the hon. Member for Hendon (Mr. Dismore). The main thrust of the Lord Chancellor's answer in that argument was that he was "lowering the bar" for the families, but how can we know whether the bar is being lowered if we do not know what burden of proof has to be met? There seemed to be a complete lack of consistency or, if I may say so, even logic, in that part of the Lord Chancellor's argument.

Rob Marris *rose—*

Mr. Edward Garnier (Harborough) (Con) *rose—*

Mr. Howard: I give way to my hon. and learned Friend first.

Mr. Garnier: I do not wish to be picky, but I think it is probably the standard of proof rather than the burden of proof that we are concerned with.

Mr. Howard: My hon. and learned Friend is absolutely right; I entirely and happily accept his correction. Perhaps that was the same point that the hon. Member for Wolverhampton, South-West (Rob Marris) wanted to make. No.

Rob Marris: Does the right hon. and learned Gentleman agree that the phrasing in amendment 94, where it says

"the Secretary of State is satisfied"

is, in fact, a subjective test? If it said "beyond a reasonable doubt" or "reasonably satisfied", it would make it an objective test, which would make it harder. A judge looking at the certification could say, "Well the Secretary of State is satisfied—goodness knows why he was, but he was genuinely satisfied."

Mr. Howard: Whatever the answer to that conundrum, it seems to me that it should be specified on the face of the Bill.

The second exception to my self-denying ordinance arises, I am afraid to say, out of something said by my hon. and learned Friend the Member for Beaconsfield during the course of his speech—or, at least, something that I thought I heard him say, but I was so surprised by what he said that I would be perfectly happy to be told that I misheard it. What he seemed to suggest, as I

understood it, in relation to certain parts of the Bill, was that the provenance is to be ascribed to civil servants. I do not believe that we should blame civil servants for the provenance of legislation of this kind; it is Ministers who are responsible for the provisions of this Bill, and it is Ministers who should be held accountable in our debates in this Chamber.

Mr. Grieve: I am grateful to my right hon. and learned Friend. Perhaps I did not choose my words as well as I should have, but my experience—having had some briefing on this matter last summer—was that there was a considerable amount of civil service involvement in promoting the need for change. As my right hon. and learned Friend will know, it is also the duty of Ministers to look at proposals that come their way—and the buck stops with them, nowhere else, and I would not wish it to be suggested otherwise.

Mr. Howard: I am grateful to my hon. and learned Friend.

I am afraid that much of the rest of what I have to say this evening will be a repeat of what I said on Second Reading of the Counter-Terrorism Bill on 10 June last year, as that Bill contained similar provisions to those I now wish to address, particularly those dealing with the proposed admissibility of intercept evidence at coroners' inquests from which the jury has been excluded.

Now I have for quite a long time been in favour in principle of the proposition that intercept evidence should be admissible in proceedings before our courts, particularly our criminal courts. I set out my reasons in the debate on the Gracious Address in November 2007. I was delighted when, after the deliberations of the Chilcot committee, the Government finally accepted in principle that the case for admitting such evidence had been made.

However, the Chilcot committee proposed a very rigorous series of safeguards, which it said had to be put in place before intercept evidence could be admitted in such proceedings without giving rise to significant risks to national security—and the Government accepted that when they accepted the Chilcot committee's recommendations. I recognise the need for those safeguards—a recognition reinforced by my role as a member of the advisory group of Privy Councillors appointed by the Home Secretary to monitor the implementation of the Government's decision and the Chilcot committee's recommendations on this subject.

Of course, what I say today, as with what I said on the last occasion I addressed this issue, represents my views and mine alone—and I do not purport to speak on behalf of the committee. It is fair to say, however, that the painstaking work of the officials charged with implementing those recommendations—I come here to praise officials rather than to criticise them—has not been at all easy. There are a number of issues, the resolution of which is essential if the work is to proceed to a successful conclusion, but they have not yet been resolved. They must be resolved, but the Bill's provisions will make intercept evidence admissible in some inquests without showing any recognition whatever of the need for rigorous safeguards or of the need to deal with those issues. As far as the Bill is concerned, those issues might just as well not exist, but I cannot believe that that is either right or what the Government really intend.

I thus pose this question, and I hope that either the Lord Chancellor or the Under-Secretary will deal with it in the course of their replies. Would it not be far better and far more sensible to postpone this particular provision until the officials working on the Chilcot committee's recommendations have completed their work, the Government have decided whether intercept evidence can be admitted in criminal trials and, if so, under what conditions, and a regime can be established and incorporated into our law to deal with the admissibility of intercept evidence as a whole rather than in the piecemeal fashion that this Bill provides for? I hope that I will receive an answer to that question.

Frank Dobson (Holborn and St. Pancras) (Lab): Ever since the underground fire in King's Cross station in my constituency in the 1980s, I have been pressing—first as an Opposition Member, then as a member of the Government and now as a Government Back Bencher—for reform of the coroners' system. Generally speaking, it is unsatisfactory, so I welcome most of the provisions in the Bill. It seems to me, however, that the coroner provisions are ruined by the proposition to hold what will effectively be secret inquests.

I do not believe that my right hon. and hon. Friends on the Front Bench are wicked or sinister, and I recognise that they have to balance security and individual liberty, but I think that they are getting the balance wrong. I say that particularly at this time when they have quite rightly talked about rebalancing the criminal justice system in favour of victims and relatives. The secret inquests proposal is a rebalancing in the wrong direction, because inquests are all about victims and their relatives—they are the reason for the inquest system. If someone has been done to death, the truth needs to be brought out, victims' relatives and friends are entitled to know what happened, the public are entitled to have confidence in our system, and lessons are supposed to be learned. The proposition is that a Minister would certify that a normal inquest could be prejudicial to national security, to relations with another state—that is the bizarre one—to the prevention and detection of crime, and to the prevention of threats to jurors or witnesses. However, even under the amended system—I welcome the changes, compared with the original proposal—the Minister will go to a judge, and I do not know whether a single case can be quoted in which a judge has not accepted the Executive's statement that national security was at risk.

Mr. Hogg: Does the right hon. Gentleman accept that one of the most encouraging developments in jurisprudence over the past 20 years has been a willingness on the part of the High Court—some people say that it goes too far—to cut down the Executive? Time and again, judges in the administrative court in particular have held that Secretaries of State have acted ultra vires or been plainly wrong on the merits.

Frank Dobson: More narrowly, I was challenging any Member of the House to identify a case in which a judge has decided to set aside an assertion by a member of the Government that national security was at stake. I do not think that there are any such examples.

Mr. Straw *rose—*

Frank Dobson: My right hon. Friend may have come up with one.

Mr. Straw: My point is a different one: as I said in answer to my hon. Friend the Member for Hendon (Mr. Dismore), the judge does not have to set aside the original certificate by the Secretary of State that national security, serious crime or the other criteria have kicked in, to decide that a non-jury inquest is not necessary to meet the conditions under the Bill. The amendment is clear that the judge can decide that there are adequate precautions to protect the relevant material, with a jury. That will be the first port of call.

7.45 pm

Frank Dobson: That is all very well, but it would all be part of a process, which would begin, "Old reliable Jack, he wouldn't start off this process unless there were a threat to national security or relations with a friendly state." The judge will be part of a process that has been started off, and is unlikely to put a chock under the wheels at a later stage. It would be possible, but it is very unlikely.

Under the proposal, therefore, the state, in its manifestation as a Minister, could, in effect, order a secret inquest into a case in which agents of the state have killed someone or been in some way involved in the killing of a British citizen, or in which agents of another state have had similar involvement. That is not a sound position in which to place this country, especially as, to say the least, fresh in our minds is the acceptance by the previous Labour Prime Minister that Guantanamo Bay was apparently quite a decent place, or the involvement—to what extent we will never know—in extraordinary rendition, possibly involving the use of British soil, British citizens or people resident here. Let us suppose that someone had died while being tortured, or while being transferred following torture. I am not saying that that is what my good friend the Secretary of State intends, but it might happen, not necessarily under him but possibly under a successor.

I accept the need to protect witnesses, and possibly to protect sources, but that can be done already. When the secret inquests proposition was first put forward, a then Minister said to me, "There will be no chance of a de Menezes inquest unless we get this through." Then, lo and behold, the proposition is dropped, and there is a de Menezes inquest. Evidence on counter-terrorism arrangements was put to that inquest, which was relatively open, and some of the material was read to the family. I understand that the fact that that evidence was presented was welcomed by the police officers who shot Mr. de Menezes, because they felt that they had the opportunity to put their side of what happened and the circumstance in which they found themselves. Therefore, the victims were not the only ones who got some satisfaction from that arrangement. Such matters might be embarrassing, but they are not likely to reveal genuine secrets that would be a threat to national security.

A secret inquest is no good for the relatives, no good for public confidence in the system at the moment, and would not be any good for learning lessons. What lesson could be learned, privately and secretly, from the secret aspect of an inquest involving extraordinary rendition? It might be, "Don't creep to the United States." Inquests are an essential part of our open society.

Mr. Dismore: Will my right hon. Friend give way?

Frank Dobson: No, I am finishing.

What could be more important than open explanation of a death? On such standards, a secret inquest is no inquest at all.

Mr. Hogg: I shall be brief.

First, I recognise that the Secretary of State has come a long way from his position last year. I served on the Committee that considered the Counter-Terrorism Bill, and strongly opposed the powers that it gave to the Secretary of State of an exclusive jurisdiction as to when a jury-free inquest should be held. That was wholly objectionable, for the reasons that right hon. and hon. Members have expressed during the debate.

However, we must all ask ourselves one question: are there no circumstances in which one would hold that the presence of a jury was inimical to a full inquiry? I found that a difficult question, because I have always been, and I always am on the libertarian side of the argument. I hope that the House will allow me that. However, I served in the Foreign Office and the Home Office for seven years, and I am conscious from my time in government that there are matters—very few—that are not in the interests of the nation to be widely known. One needs to define those categories very strictly, and one needs to set them about with real constraints. I do not think that the Justice Secretary has gone far enough, but I believe that the process that he is putting in place is the right one, because he is allowing the judge—the coroner—to make the decision.

I do not accept that a High Court judge would simply rubber-stamp the original certificate. We might be able to improve the process—the hon. Member for Hendon (Mr. Dismore) made a valuable point about the special counsel assisting the court on that specific inquiry. It is a process that we shall consider tomorrow in the context of the anonymity of witnesses. I have tabled amendments.

We could raise the evidential bar so that a judge would have to be satisfied beyond reasonable doubt. That is the burden and standard of proof referred to by my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard). We could say that the Secretary of State should not issue the certificate unless he is satisfied beyond reasonable doubt. There are a number of things that we could do. The central question to which we must return, however, is whether there are some cases, albeit very few, in which it is not right for material to be made available to a jury.

Let me say this to my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve). If material is made available to a jury, even if it is provided in camera, the possibility must be contemplated that it will not be not confined to the jury, but will become public. At the end of the 1980s, I was an Under-Secretary of State at the Home Office. At that time, we had counter-terrorism legislation relating particularly to Northern Ireland. No doubt my hon. and learned Friend will remember the amendments that were tabled with the aim of preventing discovery of documents being made available to defence counsel and other lawyers.

I had charge of that Bill, and we were faced with the considerable difficulty of determining whether there were classes of document that should not be disclosed to defence counsel. We decided that there were such classes of document, and it got me into terrible trouble.

What I said in Committee—it was true—was that at that stage there were lawyers who were too close to terrorist organisations. Shortly thereafter, a man was murdered, the solicitor Mr. Finucane, and I was blamed for it. It has always been a great source of distress to me that people thought that I was associated with his death, but that was said of me. The truth is, however, that we reached the conclusion—I still believe it could be the case—that there are classes of document that must be held very close, and what we are discussing is that sort of case.

I shall not vote against the Justice Secretary's proposals, because I think that they are moving in the right direction. I think that they can be improved, and I hope that they will be improved in the other place, but I hope it will be recognised by the hon. Member for Cambridge (David Howarth) and my hon. and learned Friend the Member for Harborough (Mr. Garnier) that although I am always on the libertarian side of an argument, on this issue I shall not be with them.

Let me make one further apology, which I have mentioned to you, Mr. Deputy Speaker. I am afraid that I may not be present for the winding-up speeches. However, I shall be here to abstain in person.

David Howarth: I thank the right hon. and learned Gentleman for at least being here now. The problem with his argument is clear when we examine amendment 97, especially what it asks judges to do. My experience of High Court judges is that they apply the words of the statute as given to them. If they apply the words of what would become clause 11(6)(b)—thinking in the way in which the right hon. and learned Gentleman thinks—they will always conclude that it is necessary to hold the inquest without a jury. What the judge is asked to do is satisfy himself, or herself, that

"it is necessary to hold the inquest without a jury in order to avoid in order to avoid the matter being made public".

If it is the case that juries are leaky in the way that the right hon. and learned Gentleman contemplates, surely that will always be the case.

Mr. Hogg: That is a fair point. My amendment 51—this makes me very reluctant to vote against the Secretary of State's amendment—is designed to secure a certification process which would enable the coroner to make the final decision.

I am prepared to accept that the hon. Gentleman has made a good drafting point, but, while I recognise that drafting is the business of Parliament, let us stand back from the drafting for a moment, and ask where we stand on principle. All I am saying is that I believe that there is a small category of cases that are properly addressed by the kind of mechanism that the Secretary of State is introducing. I think that it can be improved in the way that I have suggested, and perhaps it will be improved in the other place, but because that category exists, I shall not vote against what the Secretary of State has in mind.

Andrew Mackinlay: I rise primarily with the aim of interesting the House in my amendment. It would strike out schedule 9, which effectively extends clause 7 to Northern Ireland. I also want to express some dismay, however. Clause 11, which is preoccupying the House this evening, is based on exceptional circumstances relating to national security, but seems—I am open to correction on this—not to extend to the kingdom of Scotland. It is as if, somehow, national security considerations such as the disclosure of documents and the involvement of relatives simply will not arise in Arbroath or Dunfermline.

Mr. Straw: Scots law has always been different. It was different before devolution, and it is different now. They do not have inquests in Scotland, so the point is nugatory. In any event, if the people of Scotland want to change the law it is a matter for their Scottish Parliament, under the Scotland Act.

Andrew Mackinlay: I did not need the Lord Chancellor to explain the constitutional arrangements to me. I fully understand that which is devolved to the Parliament in Scotland; indeed, I support it. I am merely pointing out how ludicrous it is that such massive considerations should apply in England and Wales—I shall come to Northern Ireland in a moment—while there is no comparable anxiety in relation to Scotland. Of course I understand that the whole regime is different there, but this Parliament is not saying "We need to ensure that there is protection of information in relation to what might be a heavily disputed death in Scotland".

We acknowledge that, under the devolution legislation, matters of this kind are a competence for the Parliament in Scotland, and I have made clear that I support that, but why, in that case, are we legislating in relation to Northern Ireland? Schedule 9 amends an old Stormont Act, passed by the Northern Ireland House of Commons. That Act needs to be updated, but not in this sloppy way.

Earlier, from a sedentary position, the Lord Chancellor told me another thing that I already knew: that there were special arrangements for Northern Ireland, and that we must do things differently. We do not have to do things in a sloppy fashion, however, which is what will happen if we incorporate schedule 9 in this legislation. There needs to be a root-and-branch review, and a bringing up to date, of the coroners legislation in Northern Ireland, and I think that the primary vehicle for that should be the Northern Ireland Assembly. However, if there are overriding considerations that should be ring-fenced or a matter for the United Kingdom Parliament for reasons of national security, there should be a separate instrument, or Bill, for that purpose.

I hope that I made clear to the House earlier my charge that this is a sloppy way of legislating. In support of my case, I cite clause 5(2), which states that in order to avoid any doubt, an inquest must ascertain the full circumstances of a death. That provision is intended to prevent the Government from getting into trouble in connection with their commitments under the European convention. However, it does not extend to Northern Ireland, which, in my view, demonstrates that we are making flawed legislation which was ill thought out and not properly examined. That is why I want to interest the House in supporting my amendment, or comparable amendments, proposing the deletion of schedule 9.

This is not just my brainwave. I rely on the Northern Ireland Human Rights Commission, a statutory body set up by the House of Commons whose functions include a duty to review

[Andrew Mackinlay]

"the adequacy and effectiveness of Northern Ireland law and practice relating to the protection of human rights, advising on legislative and other measures which ought to be taken to protect human rights, advising on whether a Bill is compatible with human rights".

The NIHRC has made it clear that article 2 is hit by the effect of this Bill.

8 pm

I am not suggesting that the statutory NIHRC should tell us how we should legislate. It has not got a right of veto, and it is not a legislative body, but it has a duty to advise and a right to be heard. What is most serious is that it alleges that it has not been consulted about the Bill. It states:

"As regards Northern Ireland, the inquest provisions of the Bill present a case of the worst of both worlds. Clause 38 extends the "secret inquests" provisions of Clause 11 without the extension of a number of the positive provisions of the Bill"

that extend to England and Wales.

"The explanatory notes which accompany the Bill state that:

'The legislative changes proposed in the Bill are part of an overall package of reform aimed at addressing the weaknesses in the present coroner and death certifications systems.'

Unfortunately this is not the case for Northern Ireland where the negative proposals in relation to inquests are not set out within a package of general coroner reform. While there has been administrative reform of the coronial system in Northern Ireland in recent years the governing legislation remains the Coroners Act (Northern Ireland) 1959.

The two most glaring omissions",

one of which I have referred to already, are

"the failure to extend to Northern Ireland a broader definition of the purpose of an inquest",

which is in clause 5, and

"the failure to extend rights of appeal"

to Northern Ireland.

I have twice urged the Government to reflect again. For one such intervention, the Under-Secretary of State for Justice, the hon. Member for Lewisham, East (Bridget Prentice), and the Lord Chancellor were present, and there was some confusion between them as to the extent of the legislation in respect of Northern Ireland. They are its architects so they should have been on the ball, but they were not certain—I do not want to rub it in, but they were demonstrably not fully apprised of the impact of their legislation. The Lord Chancellor kindly wrote to me afterwards reaffirming the line, which he has referred to earlier, that the Secretary of State for Northern Ireland and his Minister of State say they will not apply this legislation to what they call the legacy cases—which, as we know, involve a sensitive issue that affects families, loved ones and the supporters of various traditions. As they said they would not use the powers, that begs this question: why not put it in the Bill that they will not exercise those powers? This raises another issue, too. If they will not apply the legislation to those legacy cases, why is Northern Ireland not left out? The matter could be left to be treated as a normal domestic legislative issue by the Northern Ireland Assembly. That principle applies for Scotland. The only case for extending the legislation to Northern Ireland is so that it can be exploited in order to deal with national security issues, and the Government should say so.

Mark Durkan: Does my hon. Friend not see some contradiction in the fact that only recently the House passed a Northern Ireland Bill providing for the devolution of policing and justice to Northern Ireland, and yet we will have a situation where a devolved Justice Minister, who will have the coroners courts and so forth under their responsibility, will be in the invidious position of being completely bypassed by a Secretary of State who issues a certificate that removes a jury or instructs that part of an inquest be held in absolute secrecy? That Justice Minister and devolved Assembly will then say, "This has absolutely nothing to do with us. We are just the devolved authority and Minister." Does that not test the credibility of devolution in a most sensitive manner?

Andrew Mackinlay: Of course, I wholeheartedly agree. In terms of the legislation that was so recently passed in this place, I remember expressing concern to a rather empty House about what we were doing. I said it was ill thought out and it had not been adequately dealt with. We had even less time to deal with that Bill than we have had this evening, but we passed it. It seems to me that Members on the Treasury Bench do not understand what they are doing in relation to the constitution. If we devolve, it means that we have devolved and we should not be trying to claw back power.

In any event, we have had no explanation from the Secretary of State for Northern Ireland. Everything has been second hand, by way of a letter from the Lord Chancellor and gossip between Ministers sitting on the Front Bench when they have been challenged. This is not the way to make legislation and I urge hon. Members to join me, or others who succeed in calling a Division, in striking out the provisions that apply to Northern Ireland so that we can make better law instead. If necessary, we could pass precision law, which is targeted on national security issues, if they exist, but which leaves the good people and Assembly Members of Northern Ireland with the responsibility to deal with their coroners courts as they think fit.

Mr. Gray: I rise to make a brief contribution, particularly on the issue of military inquests, in which I have a particular interest. I am a Wiltshire Member and it is the Wiltshire coroner who currently carries out the vast bulk of military inquests—although previously it was the Oxford coroner—because of the geographical peculiarity that our casualties from Afghanistan and Iraq are repatriated through RAF Lyneham in my constituency.

I raised the matter of military inquests in Committee. The Under-Secretary immediately responded to my concerns about whether they would be subject to the Bill's provisions by saying that most military inquests already have no jury. She is to a certain degree correct, but she is also incorrect in that the Coroners Act 1988 stipulates that the coroner may ask for a jury in military inquests, although they only occasionally do so—I believe a case is at present being considered in the Court of Appeal. Therefore, she was not quite right that all military inquests have no jury, although many of them do not.

What we are considering today is a special case. I welcome the fact that the Secretary of State has altered the provisions considerably since their introduction. I understand his point that incredibly few cases would

fall under the provisions of clause 11—he anticipates one or two cases going through the designated procedures and going to the High Court. However, he is asking us to put on the statute book laws that a Secretary of State—not him, but someone at some stage in the dim and distant future—may use not for the laudable aims he has described, but for the much less honourable purpose of avoiding Government embarrassment and the like.

In order to illustrate my point, it might be helpful if I focus on one recent inquest carried out by the excellent Wiltshire coroner David Masters. Although he has retired as a coroner, I am very glad he agreed to carry on as a particular specialist in military inquests. He will continue to hear some of those inquests as a deputy coroner.

The inquest I have in mind is that into the tragic loss of Hercules XV179, which was on its way from Baghdad into northern Iraq, flying at an extraordinarily low level. It went down with 10 soldiers and airmen on board, all of whom were lost. Many of them were my constituents, or were at least based in my constituency. There are all sorts of peculiarities about XV179. The plane was flying at remarkably low level and it was on special forces duties. That has been made plain but a number of things about the special forces duties in the evidence given to David Masters were redacted, and perfectly happily so. Indeed, there were all sorts of secret things we never got to know about because they were secret and that is fine.

Other peculiarities of the case included the fact that David Masters discovered that the Americans knew there was enemy activity in the area where XV179 was on that day, but they failed to pass that on to the British, so the pilot did not know that. Curiously, the Americans refused to come to the Wiltshire inquest and to give evidence to it, because they felt it might be embarrassing to them as they had failed to pass that intelligence on. It is clear that there had been a breakdown in intelligence between the two countries.

As I said, there were a variety of very peculiar things with regard to Hercules XV179, so David Masters looked into them and he came to a perfectly satisfactory conclusion. He said that it was shot down by enemy fire—probably small arms fire; possibly a rocket-propelled grenade—and this was a tragic loss. The case had one other element and he looked into that too, concluding that had the plane been fitted with suppressant foam in the wing tanks, as all the Australian and American Hercules planes are, there is a chance that the tragedy—it is no certainty—might not have occurred. He was rather critical of the fact that the Government had not fitted the foam in the wing tanks, and he gave the Government quite a hard time over it. Of course, the Oxford coroner had recorded something similar with regard to the Nimrod case and two or three other military inquests of that kind.

Although the Government say that the Bill's provisions are not designed in any shape, size or form to interfere with the coronial process, which worked extraordinarily well in the case of flight XV179, the circumstances of that case fit, without question, into the definitions as laid down in the Bill. It is perfectly possible that some Secretary of State in the future, seeking to avoid embarrassment for the Government over suppressant foam, to avoid upsetting the Americans over the failure of intelligence or to keep secret—perfectly properly—the fact that it was a special forces flight, might use any of those excuses to say to the High Court, "These are important matters and it is important that we should not hear this inquest in public, because it is against the national interest."

Mr. Straw: I understand the importance of the military inquests, particularly the case to which the hon. Gentleman refers—I happen to have known one of the crew who was on that ill-fated flight. I can honestly say to him that I can provide him with almost complete reassurance because, as he will know, there has never been a jury involved in a military inquest. There have been more than 200 military inquests and the issue of juries has never arisen. It is hard to see in what circumstances it would arise.

Mr. Gray: That is, of course, the case, and I made precisely that point a moment ago. The Lord Chancellor is possibly not quite right, because there have been juries in one or two such cases in the past.

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice) *indicated dissent.*

Mr. Gray: I am happy to accept the correction on the matter. The point I made a moment ago is that I know that there were no juries involved, but the inquests are not secret. There is nothing private about the inquests at all—the families and the public are present. As the local Member of Parliament, I was at the inquiry—it was a public inquest and inquiry.

Mr. Keetch *rose—*

Mr. Gray: If the hon. Gentleman will allow me, I shall continue for the moment. The risk involved is that the Bill, as drafted, may allow a subsequent Secretary of State to say, "These are delicate matters that might affect the security of the nation and might embarrass our great friends, the Americans, so for those reasons I request not only that the case should be heard with no jury but that it should be heard in secret."

Mr. Straw: These powers explicitly arise only where otherwise a jury inquest is required; they cannot be brought into force, as the Bill makes absolutely clear, unless—many Opposition Members are nodding—otherwise a jury is required.

Mr. Gray: I am surrounded by Queen's counsel and learned—I am probably the only non-learned gentleman in the House this afternoon. *[Interruption.]* The right hon. Member for Holborn and St. Pancras (Frank Dobson) is equally as unlearned as I am—I beg his pardon.

Am I not right in thinking that the Coroners Act 1988 itself stipulates that the coroner in military inquests may ask for a jury? That tends not to be the case but it is perfectly possible that some military inquests would have juries and therefore would become subject to the terms of this legislation. I am ready to be corrected by the very learned Lord Chancellor if my understanding is wrong—it is certainly also the understanding of INQUEST, which has raised the point with me. It says that it is perfectly possible to imagine that military inquests would be caught up by these provisions and

[Mr. Gray]

that therefore at some future point embarrassing military inquests of the kind that I have described would be subject to secret hearings. I would be happy to accept the Lord Chancellor's assurances, but perhaps he could get some advice from those in the box on this. It might be that I am barking up the wrong tree and I would be happy to accept that I am. All of our advisers, including plenty of QCs in INQUEST and in the other organisations briefing us, advise us that there is at least a risk that that might be the case. For that reason alone, I shall join my hon. Friends in supporting amendment 2, which seeks to strike clause 11 out entirely.

8.15 pm

John McDonnell: A number of hon. Members wish to speak and there is a lot of business to be got through, so I shall attempt my own exercise in gisting.

The key issue involved here is that of public confidence, as other hon. Members have said. I was involved in the Ricky Reel case, which some may recall—my right hon. Friend the Lord Chancellor certainly will, because he was exceptionally helpful. A constituent of mine went missing following a racial attack and was subsequently found dead. It was a most distressing case in which the most critical issue for us was to ensure that the interests of the family were protected, that they gained as much information as possible and in the end at least felt that they had had a fair hearing. I also met the de Menezes family and their lawyers, and discussed some of the issues that arose out of that case.

The concern that a number of us have is that although the Bill contains elements relating to coroners that we wholeheartedly support, because they are a significant move forward, on this clause 11 issue we share the view of the Royal British Legion. My hon. Friend the Member for Hendon (Mr. Dismore) read a quote from it, but he failed to include the first sentence. The Royal British Legion stated:

"As long as Clause 11 remains in the Bill, we regret it may not be possible to dislodge the perception that crucial evidence will be heard behind closed doors."

That is the key issue, because the provision is a step too far in terms of public confidence. It is regrettable because the system has evolved in a way that has adapted to the needs of national security and other issues—the de Menezes case certainly exemplifies that—without undermining overall public confidence. This measure would be a step too far and it would undermine public confidence.

As my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) has said, the whole panoply of methods was used in the de Menezes case. The High Court judge who was appointed to undertake the case was able to judge on public interest immunity applications, and he did so. However, he did so in such a way as to enable the process of evolution throughout that hearing, so that where he ruled in respect of PII that certain information was not to be provided, he also ruled that some information could be provided to the legal teams on the strict understanding of confidentiality and security. In that way, at least some element of confidence was maintained that the family was having access to that information. My key point is that their own lawyers, whom they had appointed, were able to see that information.

I can understand why people are arguing for the introduction of special advocates, but they have not had the public confidence that is instilled when one appoints one's own lawyer. I was involved in the early Special Immigration Appeals Commission cases when the Sikh gentlemen were arrested, and the key issue was that the special advocate was not able to communicate the full range of information to the person they were meant to be representing. At least in the de Menezes case there was a line of communication and where there was a common agreement that only certain information was provided, the idea of gisting was brought forward and summaries were provided to the family, and in that case confidence was maintained.

I am concerned that the processes that the Secretary of State has brought forward to improve on the original proposals certainly do not go far enough and do not tip the balance in maintaining public confidence. In parliamentary procedural terms there is a phenomenon called Strawism, whereby one produces a Bill that throws in the entire kitchen sink and is so outrageous that the House recoils from it, and one then introduces a series of amendments and Members skip through the Lobby happily, thinking that they have obtained major victories and amendments. This is not an example of Strawism in extremis, but it is close to it. I do not think that the Bill has gone far enough in protecting the interests of the families—those who have lost loved ones—and in maintaining public confidence. On that basis, clause 11 needs to be withdrawn, and that is why I shall support amendment 2.

Mr. Llwyd: We have heard something very important from the hon. Member for Hayes and Harlington (John McDonnell). As usual, he made his case strongly, but he also introduced a new term. We have heard of Thatcherism and Blairism: we now have Strawism. No doubt we will look back with fondness on this occasion on which it was first used.

I am probably the only hon. Member here who has acted as a coroner. In my early days I was an assistant coroner. I was taught always to empanel a jury if the case was complicated or there was any possible involvement of the state or a public body, whether by negligence or act of omission or commission. My senior partner then—he is now the main coroner for the district—always believed that we had to shed the maximum amount of light on the evidence.

The whole purpose of the coronial system is to discover what happened in relation to the death. Specifically, if there is the possibility of an act of omission or commission by an authority—be it the police or anyone else—it is vital that that happen. Over the years I have also acted as an advocate at inquests many times. After hearing all the evidence, the family leave the court able to reach the conclusion of the grieving process. In many cases, the grieving process remains open until the coroner's verdict or the jury's verdict has been delivered and the family knows, having heard all the evidence, what happened. To those of us who have not lost close family or other loved ones and who have not been through the process, it may sound difficult to believe, but I can assure the House that hearing all the evidence does very much assist in the grieving process.

The right hon. Member for Holborn and St. Pancras (Frank Dobson) mentioned the issue of confidence, and that is the main building block of the coronial system. There are some good ideas in the Bill. Indeed, there are good and bad coroners, as there are good and bad in every walk of life. We must weed out the bad ones.

The right hon. Gentleman said that PII certificates might not work because the judge might not grant them. That decision would be appealable, so it is unlikely that anyone would withdraw from the proceedings simply on that basis.

Some 10 or 12 years ago, there was an arson campaign in Wales. Some of the individuals were caught and charged, and appeared before Caernarvon Crown court in north-west Wales. It was a unique case in that MI5 was heavily involved in tracking those guys down. MI5's evidence was redacted, gisted and subject to PII certificates, but the jury followed it adequately. Nobody—prosecutor or defence counsel—complained about the fairness of the proceedings. I suggest that that is one reason why we could look at the panoply of existing ways we could achieve justice. At that time, there was a fragile peace in Northern Ireland, and the identity of the MI5 agents had to be protected at all costs, because not to do so might have had fatal results. It worked, and nobody has ever complained about how that trial was conducted. Justice was achieved in that case.

I am very concerned about clause 11(2), which refers to the relationship between the United Kingdom and another country. I mentioned in interventions that the deputy coroner for Oxfordshire has made many loud complaints about the inability of the US air force to deliver the videos of the fighter pilots unfortunately mistaking UK troops and dispatching them. The coroner was brave in raising those concerns in public, but I suspect that he did so because he was unable to get anywhere in private with the US authorities. His only avenue then was to make the issue public. I guess that his actions would be caught by this provision, and it would be enough for any Secretary of State to apply to minimise any embarrassment for the US.

I am not casting aspersions on Ministers—it is not part of my function to do that—but clause 11(2) covers the "relationship" between the UK and another country. Embarrassing that other country would undermine the relationship, so that would be the effect of the wording, unless Ministers can tell me otherwise.

Along with the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), I am a member of the Criminal Bar Association, and it was refreshing to hear the Secretary of State praying in aid that organisation. Far be it from me to suggest that he was desperate for support, but he certainly cited its opinions a lot, and fair play to him. We are fortunate to have an independent judiciary, and we are extremely fortunate that members of the High Court bench are prepared to tell the Government when they go wrong. That is refreshing, and it is how a democracy should work, with the separation of powers.

If I have understood the process correctly, the Secretary of State will issue a certificate and the High Court judge will decide whether it should proceed. I suggest once again to the Secretary of State that the PII certificates work day in and day out in our courts—I mentioned the case at the Crown court in Caernarvon. Alongside that we have that other process we have heard about today of gisting—a wonderful word. It has been in the public domain before, but it has been very much in evidence today. Why not use that process too? The Jean Charles de Menezes inquest employed all those techniques, and it seemed to work all right. Have we not learned anything from that experience that can inform our approach? If we employ all the safeguards—the judge will undoubtedly have in mind the need to ensure a fair trial, that there is equality of arms and that both sides of any dispute are heard fully and properly—that inquest proves that we do not need this legislation.

My greatest fear—I do not know whether it will apply to military inquests—is that there is no doubt that families will feel short-changed if they do not have the right, and I use that word advisedly, to have a jury trial in the coroner's court when there are these complicating features. Yes, that trial should apply all the safeguards because, as was said earlier, of course juries can leak.

I would not want anybody's life to be imperilled by national security leaks—of course I would not—but as a lawyer I do not see the need for this provision, given that we have the existing provisions and just need somebody to pull them together. It is not beyond the wit of a High Court judge to do that easily and comfortably and to ensure fairness. A High Court judge has been appointed because he or she is probably at the top of the legal tree anyway—they are not there for any other reason—and they are there because they have very special qualities. Given that they have very special qualities, surely they could ensure that we could avoid using this particular provision.

8.30 pm

My biggest problem is that people will feel short-changed, hard done by or whatever phrase we want to use. Families will not feel that the matter has been heard properly, and I think that that is the worst possible thing that could happen. Given the reason why coroners' courts are convened and given the fact that families deserve to be told the truth, the whole truth and nothing but the truth, I believe that it is those families' common law right, as mentioned by the hon. Member for Hendon (Mr. Dismore), to be entitled to have a jury hear their case.

The hon. Member for Hendon, who is Chair of the Joint Committee on Human Rights, referred to several things that the Committee had suggested in its concluding paragraphs—no fewer than nine, or maybe 11, suggestions that would add to the panoply of provisions that we already have. I think that this part of the Bill is flawed. I said that on Second Reading. I am as concerned now as I was then, and although I acknowledge, with great respect, that the Secretary of State and his team have moved in a certain direction, I think that the other place will make them move even further.

Mr. Neil Gerrard (Walthamstow) (Lab): I shall be brief, because I want just to raise a few issues about clause 11. There has already been a great deal of debate on that clause. At the outset, I should say that I recognise that the Secretary of State has moved a very long way from where he was on Second Reading. He has introduced significant changes. The Bill contains a great deal of good in the part that deals with coroners, but I still have a problem with clause 11. It is pretty obvious that the

[Mr. Neil Gerrard]

provisions of clause 11 will come into play only in some contentious—and then inevitably high-profile—cases. That is inevitable. It is more critical than ever in such cases that we ensure that the families of those people for whom the inquests are held are satisfied with the way in which they are held.

I am still not clear about how we can be sure that the families will be properly represented. I hope that I will hear an answer later in this debate. My hon. Friend the Member for Hendon (Mr. Dismore) raised the question of special counsel—whether there will be a special advocate. The Secretary of State referred to a special advocate for the inquest but did not mention anything similar for the families. It is even more important that the families' legal representatives are able to take part fully in the process and that, if necessary, legal aid is made available.

Mr. Gray: The hon. Gentleman will know that new clause 31, which I tabled but which has not been selected for debate, proposed precisely that—legal aid for those whom the coroner chose to designate as deserving of it. I hope that that new clause will be taken up in the other place.

Mr. Gerrard: I thank the hon. Gentleman for that point. It is critical that we do not reach a situation where a family cannot be properly represented, and represented in two ways. First, how are they represented at the point of certification and how is it possible for them to be involved in challenging the process of certification? Secondly, if certification goes ahead and an inquest is held at least partly in private, how in the families' absence will their legal representatives be involved in hearing that evidence?

I am also still far from clear on what ills the change is supposed to cure. Two cases have been referred to—one in which an inquest was held up, and another in which the inquest is now going ahead. That is all. It is suggested that they were the trigger for the powers. I have not heard a long litany of cases in which there have been problems. Indeed, some very difficult cases have gone ahead, with safeguards in place to make sure that some evidence was not made public. I need to be convinced that the measures are the only way of dealing with the one or two problem cases.

The Secretary of State says that only one or two cases will be dealt with in such a way, but in clause 11—even the revised version, once his amendments are made to it—there are quite broadly drawn criteria that could be used if an inquest without a jury is sought. The criteria include protecting national security or a relationship with another country, and preventing or detecting crime. It seems that to some extent we are dealing not with problems that have occurred but with hypothetical problems that may occur in future, and that always makes me nervous in legislation. It always makes me nervous when we are sold legislation on the basis that something may happen in future to make it necessary; we should rather be able to point to a real problem that has happened and needs to be corrected.

The Secretary of State says that uses of the power will be few and far between, and that the judges will decide, but I am not sure that I can read the minds of High Court judges and say what they would do in future, when faced with representations from a Secretary of State that an inquest should take place without a jury. I am not sure, either, what counterweight there would be to the Secretary of State's propositions when the judge comes to make the decision if, as I suspect, the family will not easily be able to make counter-representations. I need to be convinced that the current inquest procedures to protect sensitive material cannot continue to be used.

Finally, I want to reinforce the point made by my hon. Friend the Member for Hayes and Harlington (John McDonnell) about public confidence. One of the most sure and certain ways of destroying public confidence in a process is for the public to believe that things are being hidden from them. A few years ago, I recall dealing with the case of Zahid Mubarak, although not in the context of an inquest. He was a constituent of mine who was murdered by a racist cellmate while in Feltham young offenders institution. One of the worst aspects of the case was the continued resistance of the Home Office to holding a public inquiry. It was only after the matter had gone to the House of Lords that the family were able to get a decision made to hold a public inquiry. That poisoned the case—the belief that what was happening was an attempt to keep secret what was going on.

That, I suspect, will be the consequence of inquests that the public perceive to be happening behind closed doors. It will be much harder for the state—the Government—to persuade people that there has been a fair process, and that there is not something going on that people want to hide. That is an important consideration in trying to maintain the integrity of the coroner system; people must feel that it is working and that its findings can be trusted.

Mr. Shepherd: I want to follow on from the hon. Member for Walthamstow (Mr. Gerrard), the right hon. Member for Holborn and St. Pancras (Frank Dobson), and the hon. Members for Meirionnydd Nant Conwy (Mr. Llwyd), and for Hayes and Harlington (John McDonnell); the latter introduced the concept of Strawism, and made an important point. I have been in the House for a very long time now—30 years, I think. During that time, an Official Secrets Act was brought forward. I remember that the first intimation, or leaks—that is frequently how Governments are run—were that Lord Hurd, as he now is, was about to introduce into the House a truly draconian measure. When the Bill was published there was such relief that the full weight of all that had been leaked was not to come about that the House almost passed it with a sigh that this was a major improvement. It is true that sometimes our fears are too great, so any concession inclines us to be more respectful of the measure before us.

I have difficulties with the Bill and they centre on clause 11. The right hon. and hon. Members whom I mentioned spoke about a profound principle in our system of law and liberty. The circumstances into which a coroner may inquire are the most obvious ones. We would want to know the circumstances leading to someone's death in the protection or custody of the state, and whether the death was murder, whether it occurred in suspicious circumstances, and so on.

There is a wider public interest in that matter, not just the family, although one understands and reaches out

because the death of a member of the family is of crucial importance to the family and to neighbours and friends. It is also of crucial importance to us as a society. Why bother to have coroners' courts if we are not interested in the circumstances of an unexpected or unexplained death that happens in our midst?

Clause 11 has been said to deal with secret inquests. Indeed, it does invoke secrecy,

"in order to protect the interests of national security".

Who are we to argue what national security constitutes? That, essentially, has been the argument of the Executive through the ages. We must determine that because we cannot know what it is that we must secure in the national interest.

We have moved on from that. I give the example of the injunction that the Nixon Administration tried to secure against *The New York Times* in the case of the Pentagon papers. The American authorities insisted that there could be no revelation of the papers, which went to the security and heart of the American state. They dealt with the Vietnam war. A judge decided the matter and the papers were published in *The New York Times*. No state fell. America progressed and retreated from Vietnam.

What was in the public interest? Was the secrecy in the public interest? "National security" was the cry. Absolute national security was what the Nixon Administration demanded. They were denied it by the independence of a judicial process. Looking back 40 years later, did the world end? No. But the result was greater public knowledge and a wider public perception of national public policy. It could therefore be challenged, debated and understood.

The second reason given for an inquest to be held without a jury is the relationship between the United Kingdom and another country. From memory, this and the preceding reason appear in our Official Secrets Act. I remember from the debates that the relationship between the United Kingdom and another country was a contested matter. These matters are vital to everyone's interest—every citizen of this country and everyone who is concerned about public policy. These are considered greater interests than the ascertaining of the death of a person by the judgment of two people. The Secretary of State, or the Justice Minister, or the lord high panjandrum—he has so many responsibilities—puts the notion before a judge. The judge will determine what the public interest is, but many of us feel that it is for Parliament to decide what the public interest is in matters of this nature. The rule of law must be open and above board, preventing or detecting crime to protect the safety of a witness or another person, or preventing real harm to the public interest. This, however, is a whole bag that catches everything that is inconvenient—perhaps only that—to those who administer the state.

8.45 pm

As I said, I have been here a long time. There was a time when the attestation of a public interest immunity certificate, for instance, was almost an absolute assertion. One learned from the unravelling of the Scott inquiry that judges did not necessarily look behind the public interest immunity certificate; in fact, they quickly back-tracked. We are told that now judges take a determined interest in a public interest immunity certificate. However, there were all the arguments leading up to the Scott inquiry, which was about the standing of Britain—whether we had exported arms and whether the process had been correct. Scott's judgment was that two Cabinet Ministers had failed in their constitutional duty to keep the House informed.

It may seem that I have wandered widely from what happens in a coroner's court. But a coroner's court is no less a part—and a very important part—of our freedom. It is a safeguard that ensures that the state cannot just override the inconvenience of someone's death or something that has happened to someone. It tells us the actual nature of what our real public policy is. That, I think, is why the provisions that I have been discussing are in the Bill.

The Secretary of State's argument is that the interests of our country may not always coincide with the rule of law. We are talking about Executive, Crown appointees who use prerogative as the foundation—although much circumscribed by the House over time—through which there can be protection in respect of the inconvenience of the public, united, disagreeing with their judgment on what public policy should be. That is the tension that lies in secrecy about great matters. We are talking about the death of a citizen, and the reasons set out in the Bill are important. We should not take clause 11 or the processes that get us there lightly. Is it not better to know that when such a certificate is brought into place, it is open to real challenge?

I have learned a new word: "gisting". I thought that "gist"—the "gist" of something—was only a noun. Just think about it: the "gist". That is not the facts.

Andrew Mackinlay: It's spin, spin!

Mr. Shepherd: The hon. Gentleman says that it is "spin, spin". I do not accept that it is necessarily intended to be that, although we are well accustomed to spin. But each one of us does a précis of things. I remember it from school; we were marked on the quality of our précis, and we did not always do a good one of the central facts. I do not doubt that clever judges and those educated and powerful in the law, which I certainly am not, can make a better fist of things than I did as a schoolboy. But I do not like the idea of only the "gist" of something being involved. However, it seems acceptable to many in the House, so I listen with interest.

The principle that our processes should be open, however inconvenient, is one that has to be genuinely undermined by the arguments of the Executive, and we did not hear that today in the responses to the hon. Member for Cambridge (David Howarth), who spoke on behalf of the Liberal Democrats, or to my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve), who represented us so eloquently from the Front Bench. This House could therefore confidently reject this proposal on the basis that something better will come in another place, whose Members will have enough time and opportunity properly to examine these contentions.

Mr. David Kidney (Stafford) (Lab): In the Public Bill Committee, I made the same criticisms of the Government's original clause 11 that the hon. Member for Cambridge (David Howarth) made earlier, so I was no fan of that proposal. However, I support the Government's current proposals.

I said in Committee, and say tonight, that we must approach two principles in this debate. First, is it within

[Mr. David Kidney]

Parliament's contemplation that in an investigation into a death where there would be an inquest with a jury, there might be protected matters of such sensitivity that the inquest could not proceed with the jury? It is reasonable for some parliamentarians to conclude that there are no circumstances in which we should allow the inquest to proceed without a jury, and hon. Members who have come to that conclusion should clearly oppose these provisions. I come to the other conclusion.

Jeremy Corbyn (Islington, North) (Lab): When this matter was discussed in Committee, what defence was given for the idea that we should have secret inquests where they involve matters of relations with other countries that may have legal systems that are nowhere near the standard that we would wish or expect?

Mr. Kidney: I am not the Minister defending such proceedings. However, national security involves relations with other nations, and the argument is that the Bill's definition of national security alone might not protect some of the exchanges of intelligence with other states' Governments that would involve matters of shared national security—theirs and this country's. That was the Government's reason for extending the provisions beyond the phrase "national security", but it is not my explanation.

The first principle concerns whether there might be circumstances where there are protected matters that mean that a jury could not be empanelled in order for the inquest to proceed. I am fortified in coming to my conclusion rather than that of those who disagree with this by the fact that there are apparently, even today, inquests that are stalled because of such a situation. As we have heard, there have been two such instances in the past. It is true that in one of those cases the impasse has recently been resolved and the inquest is going to proceed, but the other one is still stalled. If there is already a case before we pass this law, it is within our contemplation that there could be cases in future.

Mr. Dismore: The case that has been stalled has no international dimension whatsoever—it is about a straightforward police shooting.

May I put a hypothetical case to my hon. Friend? Let us suppose that somebody is in detention in Pakistan and is tortured, and there is an allegation that the British secret services were complicit; that that individual is then rendered by, say, the United States to Morocco, where they are tortured again and there is a suggestion that the British secret service supplied questions; and that he then ends up in Guantanamo Bay, where he dies of his injuries. That is the case of Binyam Mohamed; he survived, but let us suppose that he died. Is that the sort of case that my hon. Friend thinks might be caught by these provisions?

Mr. Kidney: I agree that these are serious issues. However, even the new clause recognises that there might be matters of national security that form the basis for saying that protected matters can arise. I do not think that it is helpful to get involved in an individual case.

The second principle is that it is surely the Executive's responsibility to identify protected matters, subject to an unreasonable decision being capable of challenge in the courts through judicial review, but it is the judiciary's responsibility to determine how to conduct judicial proceedings. The Government try to make that distinction in the new proposals. A judge making a determination on how to conduct an inquiry in the knowledge that protected matters have been identified by the Executive will have before him or her what has been called the panoply of powers short of not having a jury at all, and the Bill may add new powers to that panoply. The judge could consider the measures that have been discussed tonight and determine whether some of them would be sufficiently effective to safeguard the protected matters so that the inquest could continue with a jury.

Mr. Heath: Does the hon. Gentleman believe that the judge has the ability, under the terms of amendment 97, to consider whether a certification that matters should be protected made by the Secretary of State was proper? I do not think that he does.

Mr. Kidney: The determination of protected matters is an Executive role, not a judicial one, though it may be subject to judicial review if people want to challenge the reasonableness of the protection.

David Howarth: The point that the hon. Gentleman made in Committee applied to national security, and I could follow that. But the Government's proposal does not apply just to national security but to the other three matters as well, about which the Government have no particular advantage over the rest of the criminal justice system.

Mr. Kidney: That brings us back to judicial review, I am afraid. That would be the answer to someone saying, "This measure does not prevent crime or protect the life of a witness—the Executive are being unreasonable in saying such a thing." That would be a matter of challenge through judicial review.

When people say that the measure is still not right, and that work needs to be done in the other place, what comes to my mind are the remarks of the Secretary of State, when he said that a judge would bend over backwards to use other powers so as not to exclude a jury from an inquest. The amendment does not use words "bend over backwards", but equally it does not use a qualification that would be recognised in legal terms to ensure that a jury would not be empanelled only in an in extremis case. In that sense, a bit of work might still need to be done on the measure.

Mr. Oliver Letwin (West Dorset) (Con): May I take the hon. Gentleman back to the point he made about judicial review? In the light of his answers to the Liberals' questions, does he accept that a judge would not be in a position to judge the merits of the Government's decision? As he said, the judicial review would judge only the reasonableness of that decision so that at no point would anyone judge externally the merits of the Government's decision.

Mr. Kidney: The right hon. Gentleman has not been here all through the debate, and other speakers before myself have made the case that today's judiciary challenges strongly any Government claims that they have made the right decision. A judge in a judicial review challenge

would be able to examine the Government's case that there were protected matters that should not be disclosed in an inquest.

I support the Government's proposals in amendment 97, although there is still the question of whether a judge would bend over backwards to ensure that there is a jury in an inquest unless the case were particularly exceptional.

Mr. Straw: With the leave of the House, I should like briefly to respond to the points raised in the debate before the hon. Member for Cambridge (David Howarth) concludes it.

The right hon. and learned Member for Folkestone and Hythe (Mr. Howard) mentioned intercept evidence and asked why we were not waiting for the Chilcot review before accepting intercept evidence in special inquests in the circumstances described in clause 13. I am in exactly the same position as he is, because I want to be very cautious about allowing intercept evidence to be made available in criminal trials.

9 pm

As I think the right hon. and learned Gentleman will recall, there is already provision in the Regulation of Investigatory Powers Act 2000 for limited exceptions to the prohibition of the evidential use of intercept, which is set out in section 17 of that Act. Those exceptions are enclosed proceedings before the Special Immigration Appeals Commission or the Proscribed Organisations Appeal Commission and the making of control orders under the Prevention of Terrorism Act 2005. Of course, inquests are civil, not criminal proceedings, and Chilcot was directly related to concerns about criminal proceedings. I suggest that what we are doing is consistent with the precedent that has been set in the cases of SIAC and POAC.

Mr. Howard: But surely the Secretary of State would accept that the provisions in RIPA predate the Chilcot committee, all the work that is currently being carried out and the importance attached to those safeguards. Now that we know that the Chilcot committee has reported and that officials are working through its recommendations with conscientiousness and care, the situation is different from that which pertained when RIPA was enacted. Given what is happening now, we ought to wait for the result of those investigations before legislating in this way.

Mr. Straw: The right hon. and learned Gentleman's point would be a good one if inquests were criminal proceedings, but they are not. They are civil proceedings, and there is a much stronger parallel with POAC and SIAC—I believe that he established the latter process. Precisely because RIPA preceded Chilcot, we have those precedents in section 18 of that Act.

I wish to provide the hon. Member for North Wiltshire (Mr. Gray) with reassurance about whether non-jury inquests could apply in the case of military inquests. If he looks at clause 7(2), he will see the circumstances in which a jury must sit in an inquest. They are essentially cases in which there has been a death in state custody or resulting from an act or omission of a police officer or member of a service police force, or a death

"caused by a notifiable accident, poisoning or disease."

A senior coroner has the discretion to have a jury, but those criteria apply to state custody deaths or similar circumstances. They are simply irrelevant to military deaths, which arise in quite different circumstances. That being the case, the trigger in amendment 94 could not be fulfilled. That amendment sets out that the Secretary of State may certify an investigation under various criteria, including, as stated in proposed paragraph (b), if

"the inquest will (if the investigation is not certified) be held by a senior coroner with a jury".

I can therefore provide the hon. Gentleman with the absolute assurance that he seeks.

On the central issue, I say to my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) and other hon. Members that I understand their use of the term "secret inquests", and we are certainly talking about inquests that will receive secret evidence, parts of which will be held in camera. However, it is common ground among all parties that there would have to be parts of inquests held in camera even if they were before a jury. The only part of such inquests that will be held in private, without the family being present, will be when there is protected evidence. When that takes place, counsel would be appointed to the inquest and directed by the coroner to take the responsibility of representing the family's interests and to test the evidence that could not be disclosed. I appreciate that that is second best, but the process has been used in plenty of other circumstances relatively satisfactorily.

Under the set of procedures that we have discussed, the Secretary of State certifies, and the matter then goes before a judge to determine—I stress to hon. Members that it will be for judges to decide; amendment 97 plainly anticipates the judge's holding an inquest without a jury on the established criteria and if he is satisfied that it is necessary to do that to avoid the matter's being made public or unlawfully disclosed, and the next limb anticipates an inquest with a jury. I emphasise to my hon. Friend the Member for Stafford (Mr. Kidney) that the central issue will not be the certificate but its effect. The certificate simply triggers the application, so it is hardly necessary to go behind it, although the learned judge will want to know the reasons for it because they will be germane to the evidence to be protected. The question then is whether there are ways in which to protect the material other than being without a jury.

Frank Dobson: If there are other ways, why would the Secretary of State start the process in the first place?

Mr. Straw: Because the Secretary of State may be concerned about the need to protect the information. However, we do not believe that the Secretary of State should be the determining individual, who decides whether to dispense with a jury. I know that my right hon. Friend is sceptical about the independence of the judiciary, but, as someone who has been rolled over in judicial review after judicial review almost weekly since I became a Secretary of State 12 years ago, I believe that the courts are very independent, and on precisely the sort of issue that we considering. I remind my right hon. Friend of the excoriating judgments by the Law Lords about control orders. If the courts were a patsy, they would have said, "Fine, we'll simply accept them."

[Mr. Straw]

Hon. Members of all parties accept that there may be occasions when the information to be protected is such that it cannot go before a jury. The difference between Conservative Front Benchers and us is that we believe that a judge in the High Court should make that judgment. The hon. and learned Member for Beaconsfield (Mr. Grieve) rather eccentrically takes the view that a Secretary of State should make it. Under his proposal, when the information could not be presented before a jury, it would be for a Secretary of State to establish a special inquiry under the Inquiries Act 2005.

Mr. Grieve: At the risk of repetition, I should make clear what I said earlier. I believe that, if one sticks to the existing system, the likelihood of any departure from a jury's sitting in a coroner's court will be greatly lessened. That is the only reason for my saying that the existing system is better than what the Secretary of State has devised.

Mr. Straw: *Hansard* will show something different.

The hon. and learned Gentleman also said that, when necessary, he preferred the Inquiries Act route, whereby the Secretary of State determines whether to dispense with a jury, to the Bill. I believe that the proposal whereby any decision by a Secretary of State has to be tested before and by a judge is much less likely than his to end in juries being dispensed with. I am glad to say that on that, if on few other issues, I have the full backing of the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), who made it clear that the process that we are putting in place is correct.

David Howarth: The whole debate has been dominated by two things. One is public confidence in the verdicts of inquests, which is related to the issue of the jury. Without a jury, how can we have confidence that verdicts in such cases will not be a stitch-up, especially given the circumstances in which juries are called into being in inquests in the first place? That was the point made by the hon. Member for Hayes and Harlington (John McDonnell), among others.

The second issue is about whether families are excluded from the process. Throughout his remarks, the Secretary of State never satisfied me or anyone else in the Chamber on that point. He had several goes at it, but in the end it came down to this: somebody else might, in certain circumstances, represent the family. That issue, which was raised by the right hon. Member for Holborn and St. Pancras (Frank Dobson) and the hon. Member for Walthamstow (Mr. Gerrard) among others, goes to the heart of whether what has been proposed really protects victims and their families. I am certain after hearing the debate that it does not.

The hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) made several important points, especially about cases in his experience where the security services have been involved. He also pointed out the simple fact that the cases that we are talking about are those that involve deaths at the hands of the state. That is why we need the widest possible use of juries in such cases. That is the counterweight to what the hon. Member for Stafford (Mr. Kidney) and the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said about cases in which there might be some nervousness about using a jury. We need to think about what those cases are. They are cases of deaths at the hands of the state in the first place.

Whenever someone says that there are cases where the jury has to be excluded, they never come up with a convincing example. The one example of a case where the process is frozen, which the hon. Member for Stafford mentioned, is one that has nothing to do with national security. However, as the hon. Member for Hendon (Mr. Dismore) mentioned, in that case things seem to have gone very badly wrong legally.

The other remark from the right hon. and learned Member for Sleaford and North Hykeham that made me nervous was his assumption, which I think the Government share, that juries are inevitably leaky. If one follows the wording of what is proposed, one sees that it would mean that a judge, even bending over backwards, would be unable to allow the jury to continue in the case, because he or she would have to conclude that the protected matters would end up being made public.

Mr. Grieve: The hon. Gentleman may have shared my experience, but I was trying to rack my brains to think of instances in the past where vetted juries doing espionage cases were alleged to have spilt the beans in the public domain afterwards, and I simply cannot think of any such example.

David Howarth: I could not think of one either. We briefly discussed vetting juries in Committee, but the Government's only reply was that the standard for vetting juries for espionage trials and terrorist cases would be too low for such inquests. I find that just incomprehensible.

In the end, the debate comes down to the point that the hon. Member for Hendon made. The crucial question is this: if the process now proposed by the Government had been in place in the past 10 years, would it have affected important inquests such as the de Menezes inquest? Would the Government have asked for the jury to be removed? I have no doubt that they would have asked for that and that they would have put in place that certification. The Government's only defence is that perhaps the Secretary of State would have been found to be mistaken by the judge and perhaps the judge would have applied the words of the statute in a way that would not be justified and overturned the Secretary of State's judgment. That seems highly unlikely, given what is being proposed this evening and—this is the point that the hon. Member for Walthamstow made—given that the only arguments and evidence before the judge at that point would be those of the Government. We are talking not just about national security, but about that broad range of items, which are not those about which the Executive would have better knowledge than anybody else.

Jeremy Corbyn: On the question of relations with other countries, what does the hon. Gentleman think would be the definition of a good relationship? Would it be a question of whether the country was a dictatorship or a democracy, or whether it fulfilled all international

requirements? Or would it simply come down to issues such as arms sales and the murder of British people in those countries?

David Howarth: All experience shows that it is the latter. It would be up to the Secretary of State to decide that on the certificate, and there is no way of getting behind that certificate in court.

There is broad scope for the abuse of these powers. The question that the hon. Member for Hendon asked needs to be answered in the affirmative: yes, it would have made a difference if these powers had existed sooner; and, yes, it would have resulted in more inquests being held without juries. As the hon. Member for Aldridge-Brownhills (Mr. Shepherd) said, the only conclusion that one can draw is that we must excise clause 11 from the Bill. There might be better ways forward, and there might be other ways of doing this. We do not know what the Government might propose if we were to excise the clause, but excise it we must, in order to allow further and better debate on this subject in another place. I therefore beg to ask leave to withdraw the new clause, although I wish to press amendment 2 to a vote.

Clause, by leave, withdrawn.

Clause 11

CERTIFIED INVESTIGATIONS: INVESTIGATION BY A JUDGE, INQUEST WITHOUT JURY

Amendment proposed: 2, page 6, line 2, leave out Clause 11.—*(David Howarth.)*

Question put, That the amendment be made.

The House divided: Ayes 229, Noes 263.

Division No. 83] **[9.16 pm**

AYES

Abbott, Ms Diane
Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burgon, Colin
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Cash, Mr. William
Clark, Greg
Clegg, rh Mr. Nick
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobson, rh Frank
Dorries, Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Fisher, Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
George, Andrew
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Grogan, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Havard, Mr. Dai
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Glenda
Jackson, Mr. Stewart
Jones, Mr. David
Jones, Lynne
Keetch, Mr. Paul
Key, Robert
Kilfoyle, Mr. Peter
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Main, Anne
Maples, Mr. John
May, rh Mrs. Theresa
McDonnell, John
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Alan
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter

Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Truswell, Mr. Paul
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. John Baron and Dan Rogerson

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harris, Mr. Tom
Healey, rh John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Ingram, rh Mr. Adam
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kidney, Mr. David
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mann, John
Marris, Rob
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon

Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Steve McCabe

Question accordingly negatived.

Amendments made: 94, page 6, leave out lines 3 to 16 and insert—

'( ) The Secretary of State may certify an investigation under this Part into a person's death if—

(a) an inquest will be held as part of the investigation,

(b) the inquest will (if the investigation is not certified) be held by a senior coroner with a jury,

(c) the Secretary of State is satisfied that the investigation will concern or involve matters (referred to below as "protected matters") that should not be made public in order to protect the interests of—

(i) national security,

(ii) the relationship between the United Kingdom and another country, or

(iii) preventing or detecting crime,

or in order to protect the safety of a witness or other person, and

(d) the Secretary of State is of the opinion that it is necessary for the inquest to be held without a jury in order to avoid protected matters being made public or unlawfully disclosed.'.

Amendment 95, page 6, leave out lines 28 and 29 and insert—

'(4) Where the Secretary of State has certified an investigation under this section—

(a) the Secretary of State must as soon as possible inform the senior coroner of the certification;

(b) the senior coroner must as soon as possible inform all interested persons whose name and contact details are known to the coroner that the investigation has been certified.

A reference in this subsection to the senior coroner is to the senior coroner who is responsible for conducting the investigation, or would be but for subsection (3).'.

Amendment 96, page 6, line 34, at end insert—

'(5A) Where a certification under this section has effect, the Secretary of State must inform the judge responsible for conducting the investigation what are the protected matters.'.

Amendment 97, page 6, leave out lines 35 to 38 and insert—

'(6) The judge holding an inquest as part of a certified investigation must hold it without a jury if—

(a) there is a protected matter that would need to be revealed to the jury (if there was one)—

(i) in order for the jury to be able properly to discharge its duty under section 10(1), and

(ii) in order to avoid a breach of any relevant Convention rights (within the meaning of the Human Rights Act 1998 (c. 42)),

and

(b) the judge is satisfied that it is necessary to hold the inquest without a jury in order to avoid the matter being made public or unlawfully disclosed.

If the judge decides to hold the inquest with a jury, the judge must not allow any protected matter to be revealed to the jury unless it is a matter within paragraph (a).'.

Amendment 98, page 6, line 40, leave out from 'effect' to end of line 42 and insert '—

(a) as if references in it to the Chief Coroner were references to the Court of Appeal;

(b) with the omission of subsections (8) and (9).'.

Amendment 99, page 6, line 43, leave out lines 43 to 45 and insert—

'( ) In this section—

(a) a reference to conducting an investigation, in the case of an investigation that has already begun, is to be read as a reference to continuing to conduct it;

(b) a reference to holding an inquest without a jury, in the case of an inquest that has already begun, is to be read as a reference to continuing the inquest without a jury.

Where by virtue of subsection (6) an inquest begun with a jury has to be continued without one, the judge holding the inquest must discharge the jury.'.—*(Bridget Prentice.)*

Clause 12

DISCONTINUANCE OF CERTIFICATION

Amendment made: 3, page 7, line 1, leave out Clause 12.—*(Bridget Prentice.)*

Clause 13

INTERCEPT EVIDENCE

Amendments made: 101, page 7, line 21, at end insert—

'"( ) a disclosure made by the Secretary of State to a judge of the High Court in pursuance of section 11(5A) of the Coroners and Justice Act 2009;'.

Amendment 102, page 7, line 31, leave out 'or' and insert—

'( ) a disclosure made by the Secretary of State to a coroner in pursuance of section 18A(2)(a) of the Coroners Act (Northern Ireland) 1959; or'.—*(Bridget Prentice.)*

Clause 34

CORONERS RULES

Amendment made: 109, page 19, line 35, leave out from 'provision' to 'from' in line 37 and insert

'conferring power on a person holding an inquest as part of an investigation that has been certified under section 11 to give a direction excluding persons'.—*(Bridget Prentice.)*

Clause 36

"INTERESTED PERSON"

Amendment made: 110, page 20, line 39, at end insert—

'( ) in the case of an investigation that has been certified under section 11, the Minister who certified the investigation;'.—*(Bridget Prentice.)*

Clause 38

AMENDMENTS TO THE CORONERS ACT (NORTHERN IRELAND) 1959

Amendments made: 111, page 23, line 26, at end insert—

'( ) In section 13 of the Coroners Act (Northern Ireland) 1959 (c. 15) (coroner may hold inquest), in subsection (1), for the words from "a coroner within whose district" to "an unexpected or unexplained death" substitute "a coroner—

(a) who is informed that the body of a deceased person is lying within his district; or

(b) in whose district an unexpected or unexplained death".'.

Amendment 112, page 23, line 28, leave out 'sections 11 and 12' and insert 'section 11'.—*(Bridget Prentice.)*

Schedule 3

APPOINTMENT ETC. OF SENIOR CORONERS, AREA CORONERS AND ASSISTANT CORONERS

Amendment made: 113, page 126, line 32, leave out ', 3 or 12(3)(a)' and insert 'or 3'. —*(Bridget Prentice.)*

Schedule 9

AMENDMENTS TO THE CORONERS ACT (NORTHERN IRELAND, 1959

Amendment made: 120, page 141, line 21, leave out from beginning to end of line 19 on page 142 and insert—

'"18A Certified inquest without jury where interests of national security etc require

(1) The Secretary of State may certify an inquest if—

(a) the inquest will (if it is not certified) be held with a jury;

(b) the Secretary of State is satisfied that the inquest will concern or involve matters (referred to below as "protected matters") that should not be made public in order to protect the interests of—

(i) national security,

(ii) the relationship between the United Kingdom and another country, or

(iii) preventing or detecting crime,

or in order to protect the safety of a witness or other person; and

(c) the Secretary of State is of the opinion that it is necessary for the inquest to be held without a jury in order to avoid protected matters being made public or unlawfully disclosed.

(2) Where the Secretary of State has certified an inquest under this section—

(a) the Secretary of State shall as soon as possible inform the coroner of the certification and of the protected matters;

(b) the coroner shall as soon as possible inform every person—

(i) who in the coroner's opinion is a properly interested person, and

(ii) whose name and contact details are known to the coroner,

that the inquest has been certified.

(3) There shall be no proceedings on an inquest certified under this section—

(a) until the end of the period of 14 days beginning with the date of the certification, or

(b) if proceedings for judicial review of the certification are brought within that period, until the conclusion of the proceedings.

(4) The coroner shall hold a certified inquest without a jury if—

(a) there is a protected matter that would need to be revealed to the jury (if there was one)—

(i) in order for the jury to be able to make a proper decision on their verdict as to the particulars mentioned in section 31(1), and

(ii) in order to avoid a breach of any relevant Convention rights (within the meaning of the Human Rights Act 1998);

and

(b) the coroner is satisfied that it is necessary to hold the inquest without a jury in order to avoid the matter being made public or unlawfully disclosed.

If the coroner decides to hold the inquest with a jury, he shall not allow any protected matter to be revealed to the jury unless it is a matter within paragraph (a).

(5) A reference in subsection (4) to holding an inquest without a jury, in the case of an inquest that has already begun, is to be read as a reference to continuing the inquest without a jury; and where by virtue of that subsection an inquest begun with a jury has to be continued without one, the coroner shall discharge the jury."'.—*(Bridget Prentice.)*

Schedule 20

TRANSITIONAL, TRANSITORY AND SAVING PROVISIONS

Amendments made: 127, page 215, line 22, leave out 'sections 11 and 12' and insert 'section 11'.

Amendment 128, page 215, line 25, leave out 'sections 11 and 12' and insert 'section 11'. —*(Bridget Prentice.)*

New Clause 33

DEATH OF SERVICE PERSONNEL ABROAD: INVESTIGATION IN SCOTLAND

'(1) This section applies to the death outside the United Kingdom of a person within subsection (2) or (3).

(2) A person is within this subsection if at the time of the death the person was subject to service law by virtue of section 367 of the Armed Forces Act 2006 (c. 52) and was engaged in—

(a) active service,

(b) activities carried on in preparation for, or directly in support of, active service, or

(c) training carried out in order to improve or maintain the effectiveness of those engaged in active service.

(3) A person is within this subsection if at the time of the death the person was not subject to service law but—

(a) by virtue of paragraph 7 of Schedule 15 to the Armed Forces Act 2006 (c. 52) was a civilian subject to service discipline, and

(b) was accompanying persons subject to service law who were engaged in active service.

(4) If—

(a) the person's body is within Scotland or is expected to be brought to the United Kingdom, and

(b) the Secretary of State thinks that it may be appropriate for the circumstances of the death to be investigated under the Fatal Accidents and Sudden Deaths Inquiry (Scotland) Act 1976 (c. 14),

the Secretary of State may notify the Lord Advocate accordingly.

(5) If—

(a) the person's body is within England and Wales, and

(b) the Chief Coroner thinks that it may be appropriate for the circumstances of the death to be investigated under that Act,

the Chief Coroner may notify the Lord Advocate accordingly.

(6) In this section "active service" has the same meaning as in section 8 of the Armed Forces Act 2006 (c. 52).'.—*(Bridget Prentice.)*

Brought up, and read the First time.

Bridget Prentice: I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following:

Government new clause 34—*Death of service personnel abroad: investigation in England and Wales despite body being brought to Scotland.*

Government new clause 35—*Amendments to the Fatal Accidents and Sudden Deaths Inquiry (Scotland) Act 1976.*

Bridget Prentice: The new clauses respond to the calls from service families in Scotland, as well as Members of the House—particularly my right hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Mr. Ingram), who has pressed us in this regard—for action to enable fatal accident inquiries into the deaths of service personnel killed abroad to be held in Scotland when their families are based there. The new clauses will do that by amending the Fatal Accidents and Sudden Deaths Inquiry (Scotland) Act 1976 to allow fatal accident inquiries to be held in Scotland for those who are killed abroad while on active service, or while supporting, or involved in the training of, those on active service. This means that in most cases their families will not need to travel to England to attend an inquest.

We have been examining this issue for some time with colleagues in the Ministry of Defence and the Scotland Office and with the Scottish Executive. These discussions were still ongoing at the time of the Bill's introduction, which is why these provisions were not included earlier. I am very grateful for the support of my ministerial colleagues and others, and for the co-operative and constructive way in which this matter has been dealt with.

There is currently no legislative basis under Scottish law for the Lord Advocate to investigate any death abroad. Current arrangements enable investigations to be held in England and Wales into deaths of all service personnel killed on operations, because fatalities from Iraq and Afghanistan are repatriated via either RAF Brize Norton or RAF Lyneham. Therefore, the inquests have been carried out by the local coroners in either Oxfordshire or Wiltshire. Families based in Scotland, however, have had to travel to England for inquests, which has caused them extra difficulties when they already have to cope with the burden of bereavement and concern about the circumstances of their loved ones' deaths. These new clauses will rectify that problem, and put Scottish families in the same position as other families in England and Wales, where, when it is appropriate, the investigation is transferred to the coroner closest to the family's home.

Pete Wishart (Perth and North Perthshire) (SNP): Is there any reason why Scottish families cannot secure a fatal accident inquiry in Scotland for Army deaths that occurred in England? This is a main recommendation of Nicholas Blake in his Deepcut review; it is suggested that there should be easy access for Scottish families in this respect, too. Is there any reason whatever why this cannot happen for Army deaths that occur south of the border?

Bridget Prentice: The hon. Gentleman makes an important point. There has been that anomaly because there are no inquest provisions in Scotland, but he will know that Lord Cullen is currently investigating the whole panoply of fatal accident inquiry principles in Scotland, and I suspect he will address that in the inquiry.

Mr. Adam Ingram (East Kilbride, Strathaven and Lesmahagow) (Lab): I thank my hon. Friend for her kind reference to me and the effort I have put into this matter. When we deploy forces, they are now deployed on the basis of a comprehensive approach, so there could be personnel from the Foreign and Commonwealth Office or the Department for International Development, or civilian police or prison officers, alongside armed forces personnel. Will the proposed change to the law include such other personnel, because it seems to me there should be no differentiation? I appreciate that my hon. Friend may not be able to answer that question now, but if she were to give some thought to it and provide a response later, I would appreciate that.

Bridget Prentice: Again, my right hon. Friend makes an important point, and he has been campaigning on this issue for some time. My understanding is that the Bill is drafted in such a way that a person in that situation would be subject to this change in the law if they were a civilian subject to service discipline. If there are issues beyond that, I will write to my right hon. Friend about those outwith that range.

Mr. Bellingham: I am very grateful to the Minister for her succinct and clear explanation of the new clause. As she points out, we discussed this in Committee, and she mentioned at the time that there is still work to be done on it and that she would come back to the House on Report.

I want to clarify a couple of points. If the body of a deceased serviceman or woman from Scotland is repatriated to the UK, that would probably be through RAF Brize Norton or RAF Lyneham and, as the hon. Lady pointed out, it makes a great deal of sense for the body then to be moved to Scotland to be repatriated to the family. Presumably there would then be a fatal accident inquiry in Scotland—that is what the Bill allows for. One also presumes that increasingly in such tragic circumstances the body would be flown straight to Scotland. Will there be reciprocity under the new clauses? For example, if the body of an English serviceman or woman is repatriated to Scotland, would, as I presume, the arrangements work in reverse? I believe that that is covered by new clause 34, but perhaps the Minister could clarify that particular point. Presumably new clause 35 is consequential, because most of it appears to flow from the earlier new clauses and most of it is of a technical nature.

[Mr. Bellingham]

On that basis, Conservative Members support what the Minister is doing because it makes a great deal of sense, the Ministry of Defence has been pushing for it for some time and it fits in with what we discussed in Committee. We decided in Committee that it was far better that inquests of servicemen and women who have served this country with such courage and loyalty should take place, where possible, in the home towns or cities of the bereaved families. It is only right that those inquests should take place nearest to where the families live, and that includes servicemen and women from Scotland.

Mr. Frank Doran (Aberdeen, North) (Lab): I welcome these important new clauses, and I congratulate the Minister on achieving agreement with the Scottish Executive—I know that that was not particularly easy. My interest stems from the experience of a family in my constituency who lost their son, Lance Corporal Allan Douglas of The Highlanders, in Iraq. Following his death, the family received excellent support from the Ministry of Defence and Army personnel to help them through their difficult time. They were told that there would have to be a coroner's inquiry, that it had to be held in Oxford—almost 450 miles from Aberdeen—and that it might not happen for another two years. The stress that that put on the family was considerable—I saw it at first hand. We managed to get the inquiry accelerated, but it still caused immense stress.

I wish to ask the Minister a couple of questions. In that particular case, the family took the view that they did not want an inquest, because they already knew everything that there was to know about their son's death, and it was being dealt with as a single inquest. In Scotland, it is part of the process that the procurator fiscal take into account the views of the family when consideration is given to a fatal accident inquiry—that is a matter of process, rather than being statutory, but I know from my own experience as a practising solicitor how valuable that is. It does not mean that the family has a right of veto, but their views are taken into account, and that is extremely important, psychologically, in the difficult circumstances. I know that the arrangement is not written into this Bill either, but it would be helpful if the Minister could give some consideration to that.

The proposed new section 1A(7) set out in new clause 35 makes it clear that there can be circumstances when deaths will not be referred to Scotland, and it would be helpful if the Minister would outline what they might be. I am interested in new clause 33, which sets out the circumstances whereby the Lord Advocate may be notified, either by the chief coroner or the Secretary of State, that an inquiry should be held in Scotland. What happens if it is the other way round? Is there a process whereby the Lord Advocate notifies the chief coroner or whoever?

Jenny Willott (Cardiff, Central) (LD): I should like to put on record the fact that the Liberal Democrats welcome these changes, given that they will clearly make life much easier for the families involved. As has been mentioned by the hon. Member for North-West Norfolk (Mr. Bellingham), we discussed this at length, on occasion, in Committee. Will the Minister confirm that the provisions in the new clauses will be taken alongside those elsewhere in the Bill that allow cases to be transferred from coroner's area to coroner's area depending on which is the most convenient for the family involved?

Given that the rest of the Bill applies to England and Wales specifically, and this provision now includes Scotland, will the Minister confirm that cases would be able to be transferred between Scotland, England and Wales, depending on the preference of the family involved? Given the difficulties experienced by families, I am glad to see that the new provisions have now been agreed.

9.45 pm

Angus Robertson (Moray) (SNP): I rise to support Government new clauses 33, 34 and 35. Today is a good day for service families.

I will never forget 12 September 2006, the day on which a C17 Globemaster landed at RAF Kinloss in my constituency. It was repatriating 14 servicemen who had died aboard Nimrod XV230 some 10 days earlier in Afghanistan. It was a very moving ceremony for the families, all those who attended and everybody who worked at or had a connection with the station. Ten of the 14 personnel lived in Scotland, and most of them lived in Moray. However, not long after their return to RAF Kinloss, the bodies were flown back to RAF Brize Norton for the subsequent coroner's inquest in Oxford.

The new clauses will rectify shortcomings that were vividly displayed by the experiences of families who lost loved ones aboard Nimrod XV230. Since 1968, the MOD has repatriated service personnel who died abroad, but in those 41 years no one has sought to rectify, or has succeeded in rectifying, the anomaly that sees the legal system of England and Wales play its part in explaining overseas military death while the Scots legal system does not. The consequence is that families already traumatised by the loss of a loved one have to travel hundreds of miles to attend coroner's inquest proceedings in Oxfordshire, Wiltshire or elsewhere, and suffer substantial delays caused by the backlog of cases.

Pete Wishart: My hon. Friend will know that I am the constituency MP for Jim and Yvonne Collinson, the parents of James Collinson, who died seven years ago to the day at Deepcut barracks. He will know of the distress and chaos of families making trips to England to take part in public inquests. Does he agree that inquests and fatal accident inquiries must be held as locally as possible for families when they consider issues of such massive importance?

Angus Robertson: My hon. Friend has been a doughty campaigner in support of the Collinson family. The Bill not only addresses the issue of fatal accident inquiries in Scotland, but recognises the wish in England to see proceedings take place as close as possible to people's homes. I hope that the Minister is alive to the possibility of that happening after fatal accident inquiries are up and running in the case of military deaths outside Scotland.

Since 2007, there has been a Scottish Government committed to changing the situation, and UK Ministers have realised that the situation as it stands is not acceptable. There has been very welcome co-operation between the Governments here and in Edinburgh and I pay tribute to all involved—

Mr. Ingram: Will the hon. Gentleman give way?

Angus Robertson: The right hon. Gentleman had the chance to make a speech, but he decided not to do so.

In Scotland in particular, I pay tribute to Justice Secretary Kenny MacAskill and Lord Advocate Elish Angiolini, who have worked hard to make this day possible, at the same time as undertaking a wholesale review of the fatal inquiry system. At Westminster, I had much contact with the previous Defence Secretary, the right hon. Member for Kilmarnock and Loudoun (Des Browne), and more recently with the Minister for the Armed Forces and the Under-Secretary of State for Justice, the hon. Member for Lewisham, East (Bridget Prentice), as part of formal and informal efforts to secure a change to current practice. All who have been involved in getting to this stage tonight have made a huge step forward in righting a wrong. Service families will finally be put first. These improvements to the inquest and inquiry systems are clearly too late for the families of Nimrod XV230, but their support and perseverance in the campaign to make these common-sense changes happen is a tribute to them, and it will be a stark improvement in the experience of the inquest system for families in the future.

Shona Beattie, whose husband Flight Sergeant Stephen Beattie died aboard Nimrod XV230, said in advance of today's proceedings:

"It is really good news that the Scottish Government has made substantial progress with the UK Ministry of Defence and these changes will become law."

She also said:

"For decades, service families in Scotland have been overlooked, but this is changing. It is now time for the Scots legal system to play its role investigating overseas military deaths"

and that

"I'm also pleased that other families will benefit from this. It's one positive issue that has come out of a tragic event."

For that reason alone, it would be fitting for the amendments to be agreed without Division tonight.

The amendments are the only part of the Bill to have effect in Scotland. All the other provisions relate to England and Wales, and in part to Northern Ireland, and to the legal systems there. It is no surprise that I did not take part in the Public Bill Committee, which debated only those provisions of the Bill that affect England, Wales and Northern Ireland—*[Interruption.]*

Mr. Speaker: Order.

Angus Robertson: It is very unfortunate that on a day of good news, Labour Members from Scotland heckle on such an important subject but did not seek to speak this evening as we debate the changes.

Although the Scottish National party appreciates that there are issues of concern in the wider Bill for some English, Welsh and Northern Irish colleagues, we will support the amendments that relate to Scotland and the Bill. There is much to learn about the operation of its provisions and we will be watching closely in the years ahead. We hope, of course, that they will not be needed and that no service family will need to sit through a fatal accident inquiry, but as our armed forces are on high-tempo operations, such an occurrence, unfortunately, is likely.

It is always possible to revisit the mechanics of how the Bill will operate, but the principle is that this decision has been made tonight after 41 years of lack of delivery, within a few short years of an SNP Government in Scotland, by some Ministers who realised that the time had come to change the situation. That change is happening tonight and I welcome it wholeheartedly.

Robert Key (Salisbury) (Con): May I say how warmly I welcome the arrangement that has been made by the Government and their accommodation with the Administration in Edinburgh? My recollection of history is not entirely in line with what the hon. Member for Moray (Angus Robertson) has just said. I pay tribute to the right hon. Member for East Kilbride, Strathaven and Lesmahagow (Mr. Ingram). When he was Minister, he and I had correspondence over many years about the matter. We both knew that the system had to change.

Her Majesty's coroner for Wiltshire is based in Salisbury, in my constituency, and I pay tribute to him. David Masters has had a remarkable career looking after military inquests in Wiltshire and he retires at the end of this month. A lot of the spade work has been done by him. I also pay tribute to the coroner's officers who have looked carefully after the families of the deceased servicemen who have been flown back to Wiltshire and to Oxfordshire. They have been at the front line, coping with the needs of families from all over the UK. It has been very difficult for them, of course, to make a civilised contribution to the needs of families from as far away as Scotland. I warmly welcome the provision. I hope that it is something that we can all agree on, in spite of our historical differences over who did what. What matters is that it is a matter of common courtesy and common decency that Scottish families should have such an arrangement. I fully respect the fact that Scottish law has been different from English law, but on this occasion at least we should all come together to say that this has been a job well done.

Bridget Prentice: I shall take the views of the hon. Member for Salisbury (Robert Key) to heart, and shall not make any party political points about members of the SNP who did not turn up to Committee where they could have raised this issue.

The hon. Member for Salisbury is quite right that this point is something that everyone, on both sides of the House, agrees on. Colleagues in government in the Scotland Office and the Ministry of Defence have been working very hard on it, including both present colleagues and those who were previously in some of those posts. I welcome the fact that the Lord Advocate and the Justice Minister in Scotland have worked with us to achieve a process of decency, as the hon. Gentleman said, for the families of British armed forces personnel who happen to live in Scotland, to enable them to deal with the death of their loved ones closer to home than is currently the case.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Will the Minister clarify what will happen in cases in which a single incident gives rise to the death of several servicemen, some from Scotland and some from England?

Bridget Prentice: I was going to come to that in my response to my hon. Friend the Member for Aberdeen, North (Mr. Doran). In the case of a single incident in which there are multiple deaths, the repatriation would

[Bridget Prentice]

be to England. However, if the majority of the deaths happened to be of Scottish personnel, the chief coroner would have a discussion with the Lord Advocate on whether it would be more appropriate to transfer all the bodies to Scotland, my point being that the deaths would be considered in a single inquest. However, the wishes of the family would also be taken into account, as the hon. Member for Cardiff, Central (Jenny Willott) and my hon. Friend the Member for Aberdeen, North requested. A discussion would take place at the time.

The hon. Member for North-West Norfolk (Mr. Bellingham) asked whether the provisions would operate in reverse, if a body were repatriated to Scotland. The answer is yes, they would. Of course, the whole point of the amendments is to benefit service families who happen to be based in Scotland. If the body were still outside the United Kingdom, the Secretary of State for Defence would seek the agreement of the Lord Advocate to hold a fatal accident inquiry into the death, following consultation with the next of kin—something for which my hon. Friend the Member for Aberdeen, North, asked. If the Lord Advocate agreed to that, the body would be repatriated directly to Scotland. If the body were repatriated to England or Wales, the chief coroner would take on that role and would hold those discussions with the Lord Advocate.

I hope that that answers the detailed points that right hon. and hon. Members have raised. I am pleased that there is consensus across the House that we should give bereaved families, wherever they are in the United Kingdom, the comfort of knowing that their loved ones will be repatriated as close to home as possible. They can then hear of the exact circumstances surrounding the death, and can grieve properly.

Question put and agreed to.

New clause 33 accordingly read a Second time, and added to the Bill.

New Clause 34

DEATH OF SERVICE PERSONNEL ABROAD: INVESTIGATION IN ENGLAND AND WALES DESPITE BODY BEING BROUGHT TO SCOTLAND

'(1) The Chief Coroner may direct a senior coroner to conduct an investigation into a person's death if—

(a) the deceased is a person within subsection (2) or (3) of section [Death of service personnel abroad: investigation in Scotland],

(b) the Lord Advocate has been notified under subsection (4) or (5) of that section in relation to the death,

(c) the body of the deceased has been brought to Scotland,

(d) no inquiry into the circumstances of the death under the Fatal Accidents and Sudden Deaths Inquiry (Scotland) Act 1976 (c. 14) has been held (or any such inquiry that has been started has not been concluded),

(e) the Lord Advocate notifies the Chief Coroner that, in the Lord Advocate's view, it may be appropriate for an investigation under this Part into the death to be conducted, and

(f) the Chief Coroner has reason to suspect that—

(i) the deceased died a violent or unnatural death,

(ii) the cause of death is unknown, or

(iii) the deceased died while in custody or otherwise in state detention.

(2) The coroner to whom a direction is given under subsection (1) must conduct an investigation into the death as soon as practicable.

This is subject to section 3.'.—*(Bridget Prentice.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 35

AMENDMENTS TO THE FATAL ACCIDENTS AND SUDDEN DEATHS INQUIRY (SCOTLAND) ACT 1976

'(1) The Fatal Accidents and Sudden Deaths Inquiry (Scotland) Act 1976 (c. 14) is amended as follows.

(2) After section 1 insert—

"1A Death of service personnel abroad

(1) Subsection (4) applies where—

(a) the Lord Advocate is notified under section [Death of service personnel abroad: investigation in Scotland] (4) or (5) of the Coroners and Justice Act 2009 in relation to a death,

(b) the death is within subsection (2) or (3), and

(c) the Lord Advocate—

(i) decides that it would be appropriate in the public interest for an inquiry under this Act to be held into the circumstances of the death, and

(ii) does not reverse that decision.

(2) A death is within this subsection if the person who has died was, at the time of the death, in legal custody (as construed by reference to section 1(4)).

(3) A death is within this subsection if it appears to the Lord Advocate that the death—

(a) was sudden, suspicious or unexplained, or

(b) occurred in circumstances such as to give rise to serious public concern.

(4) The procurator fiscal for the appropriate district must—

(a) investigate the circumstances of the death, and

(b) apply to the sheriff for the holding of an inquiry under this Act into those circumstances.

(5) But subsection (4) does not extend to a death within subsection (2) if the Lord Advocate is satisfied that the circumstances of the death have been sufficiently established in the course of any criminal proceedings against any person in respect of the death.

(6) An application under subsection (4)(b)—

(a) is to be made to the sheriff of the appropriate sheriffdom,

(b) must narrate briefly the circumstances of the death so far as known to the procurator fiscal,

(c) may relate to more than one death if the deaths occurred in the same or similar circumstances.

(7) It is for the Lord Advocate to determine the appropriate district and appropriate sheriffdom for the purposes of subsections (4) and (6)(a)."

(3) In section 2 (citation of witnesses for precognition), in subsection (1), after "section 1(1)" insert "or 1A(4)".

(4) In section 3 (holding of public inquiry), in subsections (1) and (3), after "section 1" insert "or 1A".

(5) In section 6 (sheriff's determination etc), in subsection (4)(a)(i), after "section 1" insert "or 1A".'.—*(Bridget Prentice.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 36

REPORTS AND ADVICE TO THE LORD CHANCELLOR FROM THE CHIEF CORONER

'(1) The Chief Coroner must give the Lord Chancellor a report for each calendar year.

(2) The report must cover—

(a) matters that the Chief Coroner wishes to bring to the attention of the Lord Chancellor;

(b) matters that the Lord Chancellor has asked the Chief Coroner to cover in the report.

(3) The report must contain an assessment for the year of the consistency of standards between coroners areas.

(4) The report must also contain a summary for the year of—

(a) the number, nature and outcome of appeals under section 30(1), (3), (4) or (8);

(b) the matters reported under paragraph 6 of Schedule 4 and the responses given under sub-paragraph (2) of that paragraph.

(5) A report for a year under this section must be given to the Lord Chancellor by 1 July in the following year.

(6) The Lord Chancellor must publish each report given under this section and must lay a copy of it before each House of Parliament.

(7) If requested to do so by the Lord Chancellor, the Chief Coroner must give advice to the Lord Chancellor about particular matters relating to the operation of the coroner system.'.—*(Bridget Prentice.)*

Brought up, and read the First time.

Bridget Prentice: I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following: new clause 1—*Inquests into the death of a child (restrictions on publication in newspapers)*—

'(1) Section 39 of the Children and Young Persons Act 1933 (power to prohibit publication of certain matters in newspapers) is amended as follows.

(2) After subsection (1) insert—

"(1A) If the proceedings are an inquest and relate to the death of a child, the court must direct that no newspaper report of the proceedings shall reveal the identity of the deceased child except in so far (if at all) as may be permitted by the direction of the court, unless the court considers that it would be contrary to the interests of justice to make such a direction.".

(3) In subsection (3) at end add "and includes proceedings in a coroner's court".'.

New clause 2—*Academic research*—

'It shall be the duty of a coroner to co-operate, so far as is reasonably practicable, with bona fide academic research into the operation of the coronial system and related matters.'.

New clause 3—*ICD classification of cause of death*—

'Each verdict recorded by a coroner must include a classification of the cause of death according to one of the categories in the most recent version of the International Classification of Deaths published by the World Health Organization.'.

New clause 4—*Clusters of deaths*—

'(1) The Chief Coroner must have regard to any evidence placed before him which indicates clusters of deaths in a given geographic area, location, or profession, and must ensure that an investigation is carried out in relation to the causes of the cluster of deaths by appropriate and suitably qualified researchers.

(2) The results of the investigation must be reported to the appropriate authority, which must publish details of the action which needs to be taken to prevent subsequent deaths.'.

New clause 7—*Presumption of death investigation and certification*—

'(1) The Chief Coroner must conduct an investigation into a person's disappearance when it appears to him that there is prima facie evidence that—

(a) the person is thought to have died, or

(b) the person has not been known to be alive for a period of at least 7 years.

(2) If after an investigation under subsection (1) the Chief Coroner declares that the person has died, he shall then issue a certificate of presumed death, which shall be valid for all purposes as if it were a certificate of death.'.

New clause 28—*Oversight by the chief coroner*—

'(1) The Chief Coroner may require senior coroners and medical examiners to provide him routinely with information he deems necessary in order for him to identify—

(a) trends in deaths reported to coroners and deaths not reported to coroners, and

(b) problems in the functioning, capacity of funding or the coronial system.

(2) A copy of reports submitted by senior coroners under paragraph 6(1) of Schedule 4 and a copy of responses to those reports must also be submitted to the Chief Coroner.

(3) The Chief Coroner may keep central records of all information provided to him under subsection (1) and reports under subsection (2).

(4) Where trends in deaths are identified under subsection (1), the Chief Coroner may order an investigation to ascertain the causes of deaths to be carried out by—

(a) a senior coroner, or

(b) appropriate and suitably qualified researchers.

(5) The results of an investigation carried out under subsection (4) must be reported to the Chief Coroner and to the appropriate authority.

(6) Where an authority receives a report under subsection (5), it must publish details of the action which needs to be taken to prevent subsequent deaths.

(7) The Chief Coroner must provide an annual report to the Lord Chancellor which may contain—

(a) details of problems identified under subsection (1),

(b) details of action taken under subsections (4) and (6),

(c) details of senior coroners' reports and responses to them under paragraph 6(1) of Schedule 4, and

(d) matters of outstanding concern to the Chief Coroner in relation to this section.

(8) The Lord Chancellor must lay a copy of the Chief Coroner's annual report before Parliament within 60 days of receiving the report.'.

New clause 32—*Duty to conduct investigations*—

'(1) Where in respect of the circumstances of a death it seems to a senior coroner necessary in order to establish a matter of—

(a) criminal liability on the part of a named person (including liability in respect of a service offence); or

(b) civil liability,

he may request an investigation, whether jointly or separately, by

(i) the police;

(ii) the health and safety executive; or

(iii) any other investigating authority.

(2) When requesting an investigation under subsection (1), he may request such an investigation to be carried out as expeditiously as is reasonably practicable.

(3) Any investigating authority under subsection (1) must comply with a reasonable request from a senior coroner.

[Mr. Speaker]

(4) Where, following an investigation into the circumstances of a death, a court determines—

(a) criminal liability on the part of a named person (including liability in respect of a service offence); or

(b) civil liability,

then, notwithstanding section 10(2), that determination may be taken by the senior coroner to satisfy the requirement for a determination under section 5(1)(b).'.

New clause 41—*Inquests in cases of multiple deaths*—

'(1) This section applies where it appears from a coroner's investigation under this Part that more than one death has occurred from related causes.

(2) Where this section applies, a coroner may hold the inquests into the deaths as a single proceeding.

(3) Such a proceeding may deal with the deaths either jointly or sequentially.

(4) The coroner must consult the next of kin of each of the deceased persons, and obtain their consent in writing, before holding inquests as described in subsections (2) and (3).'.

Amendment 134, in clause 1, page 2, line 1, at end insert—

'(2A) For the purposes of this section, the circumstances when the deceased should be considered to have been in "state detention" include—

(a) detention by a constable or other public authority pursuant to statutory or common law powers;

(b) detention or deprivation of liberty pursuant to the requirements of mental health legislation, including the Mental Health Act 1983 and the Mental Capacity Act 2005, as amended by the Mental Health Act 2007;

(c) the placement of a child in secure accommodation;

(d) detention pursuant to immigration and asylum legislation; and

(e) the detention of any person in custody or otherwise detained while he or she is being transported from one place to another.'.

Amendment 154, in clause 5, page 3, line 41, at end insert—

'(1A) For the avoidance of doubt, the requirement in subsection (1)(b) shall include making the best possible estimate of the precise time and date of a person's death.'.

Amendment 135, page 4, line 4, at end insert—

'(2A) The senior coroner may determine that the purpose of any investigation shall include ascertaining the circumstances the deceased came by his or her death where—

(a) the senior coroner is satisfied that there are reasonable grounds to determine that the continued or repeat occurrence of those circumstances would be prejudicial to the health and safety of members of the public, or any section of it; or

(b) the senior coroner is satisfied that there are reasonable grounds to consider such circumstances in the public interest.'.

Amendment 136, in clause 10, page 5, line 40, at end insert—

'(3A) Subsection (2) shall not affect the duty on the coroner to conduct an investigation which meets the requirements of section 5.'.

Government amendment 107.

Amendment 12, in schedule 4, page 131, line 27, leave out first 'may' and insert 'must'.

Government amendment 151.

Amendment 13, page 131, line 30, at end insert—

'(3) The senior coroner may then request the relevant person to submit, within three months, a full update on any action he has taken, or alternatively detail the reasons for any failure to take action.

(4) The senior coroner must at the end of each year forward all reports and updates to the Chief Coroner, who must present them to Parliament.'.

Bridget Prentice: New clause 36 fulfils a commitment that I gave in Committee to consider how the provisions in respect of the prevention of future deaths might be improved. The new clause places on the chief coroner a statutory duty to make an annual report to the Lord Chancellor, and it details what should be included in it. Among other things, it will include a summary of the reports made by senior coroners.

Mr. Bellingham: As the Minister rightly pointed out, we are talking about a commitment that she gave in Committee. Will the chief coroner's report include action to be taken on reports by individual coroners, so that, for example, if action is advised to improve highways, that action is taken to prevent future deaths?

Bridget Prentice: The answer to that question is yes.

I commend the new clause and the amendments to the House.

Mr. Bellingham: I am grateful to the Minister for listening to what we said in Committee. She said at the time that she was attracted to our amendments. The key point is that from time to time coroners throughout the country will make reports—

10 pm

Debate interrupted (Programme Order, this day).

The Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E). That the clause be read a Second time.

Question agreed to.

New clause 36 accordingly read a Second time, and added to the Bill.

The Speaker then put forthwith the Question necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

Clause 27

CHIEF CORONER AND DEPUTY CHIEF CORONER

Amendments made: 103, page 14, leave out lines 21 to 26.

Amendment 104, page 14, line 27, leave out 'further provision about' and insert 'provision about the appointment etc of'.

Amendment 105, page 14, line 31, leave out 'this section or'.—*(Bridget Prentice.)*

Clause 30

APPEALS TO THE CHIEF CORONER

Amendment made: 106, page 16, line 13, at end insert—

'( ) a decision whether to exercise a power conferred by virtue of section 34(3)(a) or (4) to exclude persons from all or part of an inquest;'.—*(Bridget Prentice.)*

Clause 33

CORONERS REGULATIONS

Amendment made: 107, page 18, line 17, at end insert—

'( ) provision requiring a summary of specified information given to the Chief Coroner by virtue of paragraph (e) to be included in reports under section [Reports and advice to the Lord Chancellor from the Chief Coroner];'.—*(Bridget Prentice.)*

Clause 34

CORONERS RULES

Amendment made: 108, page 19, line 22, leave out from 'requiring' to end of line 23 and insert

'permission to be given for the making of an appeal to the Court of Appeal under any provision of this Part'.—*(Bridget Prentice.)*

Schedule 4

POWERS OF SENIOR CORONERS

Amendment made: 151, page 131, line 30, at end insert—

'(3) A copy of a report under this paragraph, and of the response to it, must be sent to the Chief Coroner.'.—*(Bridget Prentice.)*

Schedule 7

CHIEF CORONER AND DEPUTY CHIEF CORONERS

Amendments made: 114, page 136, leave out lines 16 to 25 and insert—

'Appointment of Chief Coroner

1 (1) The Lord Chief Justice may appoint a person as the Chief Coroner.

(2) To be eligible for appointment as the Chief Coroner a person must be—

(a) a judge of the High Court or a Circuit judge, and

(b) under the age of 70.

(3) The Lord Chief Justice must consult the Lord Chancellor before making an appointment under this paragraph.

(4) The appointment of a person as the Chief Coroner is to be for a term decided by the Lord Chief Justice after consulting the Lord Chancellor.

The term must be one that expires before the person's 70th birthday.

(5) In this paragraph "appointment" includes re-appointment.

Appointment of Deputy Chief Coroners

1A (1) The Lord Chief Justice may secure the appointment as Deputy Chief Coroners of however many persons the Lord Chief Justice thinks appropriate.

(2) To be eligible for appointment as a Deputy Chief Coroner a person must be—

(a) a judge of the High Court, a Circuit judge or a senior coroner, and

(b) under the age of 70.

(3) The Lord Chief Justice must consult the Lord Chancellor as to—

(a) the appropriate number of persons to be appointed as Deputy Chief Coroners;

(b) how many of them are to be persons eligible for appointment by virtue of being judges and how many are to be persons eligible for appointment by virtue of being senior coroners.

(4) The function of appointing a person as a Deputy Chief Coroner is exercisable, in the case of a judge of the High Court or a Circuit judge, by the Lord Chief Justice after consulting the Lord Chancellor.

(5) The appointment by the Lord Chief Justice of a person as a Deputy Chief Coroner is to be for a term decided by the Lord Chief Justice after consulting the Lord Chancellor.

The term must be one that expires before the person's 70th birthday.

(6) The function of appointing a person as a Deputy Chief Coroner is exercisable, in the case of a senior coroner, by the Lord Chancellor at the invitation of the Lord Chief Justice.

(7) The appointment by the Lord Chancellor of a person as a Deputy Chief Coroner is to be for a term decided by the Lord Chancellor after consulting the Lord Chief Justice.

The term must be one that expires before the person's 70th birthday.

(8) In this paragraph "appointment" includes re-appointment.'.

Amendment 115, page 136, line 27, leave out 'or a Deputy Chief Coroner' and insert

', or a Deputy Chief Coroner appointed by the Lord Chief Justice,'.

Amendment 116, page 136, line 31, at end insert—

'( ) A Deputy Chief Coroner appointed by the Lord Chancellor may resign from office by giving notice in writing to the Lord Chancellor.

( ) But the resignation does not take effect unless and until it is accepted by the Lord Chancellor, who must consult the Lord Chief Justice before accepting it.'.

Amendment 117, page 136, line 33, leave out 'or a Deputy Chief Coroner' and insert

', or a Deputy Chief Coroner appointed by the Lord Chief Justice,'.

Amendment 118, page 136, line 34, at end insert—

'( ) The Lord Chancellor may, after consulting the Lord Chief Justice, remove a Deputy Chief Coroner appointed by the Lord Chancellor from office for incapacity or misbehaviour.'.—*(Bridget Prentice.)*

Schedule 8

INVESTIGATION BY CHIEF CORONER OR JUDGE, FORMER JUDGE OR FORMER CORONER

Amendment made: 119, page 138, leave out lines 27 to 41 and insert—

'3 (1) Where—

(a) by virtue of this Schedule an investigation is conducted by a person who holds or has held office as judge of the High Court (including the Chief Coroner if he or she is such a person) or by a person who has held office as a judge of the Court of Appeal, and

(b) the investigation gives rise to an appeal under section 30,

that section has effect as if references in it to the Chief Coroner were references to the Court of Appeal, and with the omission of subsections (8) and (9).

(2) Where—

(a) by virtue of this Schedule an investigation is conducted by a Circuit judge (including the Chief Coroner if he or she is a Circuit judge), and

(b) the investigation gives rise to an appeal under section 30,

that section has effect as if references in it to the Chief Coroner were references a judge of the High Court nominated by the Lord Chief Justice.'.—*(Bridget Prentice.)*

Schedule 19

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendments made: 121, page 195, line 22, leave out 'entry' and insert 'entries'.

Amendment 122, page 195, line 25, at end insert—

"Deputy Chief Coroner appointed by the Lord Chancellor under that Part who is not also a senior coroner.".

Amendment 123, page 195, line 28, leave out 'entry' and insert 'entries'.

Amendment 124, page 195, line 31, at end insert—

"Deputy Chief Coroner appointed by the Lord Chancellor under that Part who is not also a senior coroner.".

Amendment 125, page 196, line 18, at end insert—

'Judicial Pensions and Retirement Act 1993 (c. 8)

In Part 2 of Schedule 1 to the Judicial Pensions and Retirement Act 1993 (other offices that may be qualifying judicial offices), after the entry relating to the Adjudicator to Her Majesty's Land Registry there is inserted—

"Deputy Chief Coroner appointed by the Lord Chancellor who is not also a senior coroner".'.

Amendment 126, page 200, line 42, at end insert—

'Constitutional Reform Act 2005 (c. 4)

In Schedule 14 to the Constitutional Reform Act 2005 (the Judicial Appointments Commission: relevant offices and enactments), at the end of Part 3 insert—

"Deputy Chief Coroner	Paragraph 1A(5) of Schedule 7 to the Coroners and Justice Act 2009".

—(Bridget Prentice.)

Bill to be further considered tomorrow.

Peter Bottomley (Worthing, West) (Con): On a point of order, Mr. Speaker. A number of Members of Parliament have been involved in inquests such as that for Stephen Lawrence, who was one of my constituents, or the inquest that might have been held for Jay Abatan, another of my constituents, in my constituency. I had been hoping to raise these matters under new clause 36. The selection of amendments is unexceptionable, but I hope it will be taken on record that when scheduling the business of the House, Ministers should allow MPs to speak on subjects on which they have personal experience and to put forward the views and experiences of their constituents.

Mr. Speaker: That is not a matter for the Chair. These matters are arranged through the usual channels. However, the hon. Gentleman has put the matter on the record.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): On a point of order, Mr. Speaker. Tonight we have conducted inadequate scrutiny of the Bill. There are tens of Government amendments and new clauses that have not been scrutinised in most of the groups that you selected. I speak on behalf of those in all parts of the House who are keen to scrutinise legislation. Given that the Leader of the House said in business questions under your chairmanship that she took seriously the issue of how we scrutinise Bills on Report and said that in respect of the Coroners and Justice Bill she would seek to ensure with the Secretary of State that the two days are used in the best possible way for these important measures, can you advise whether there is any way that we can ask the Leader of the House to come back to explain why we end up yet again with inadequate scrutiny by the elected House of very important matters, including the revision of the law on murder, of all things?

Mr. Speaker: The programme motion was decided earlier this afternoon. I am bound by the decision of the House and therefore I am bound by the programme motion. The hon. Gentleman is at liberty to take up with the Leader of the House anything that the right hon. and learned Lady said and any criticism of her.

Simon Hughes (North Southwark and Bermondsey) (LD): Further to that point of order, Mr. Speaker. Knowing that the Secretary of State for Justice is on the Front Bench, may I, through you, ask that he consider what happened today? As you rightly say, the matter lies with those on the Government Front Bench to take the initiative. I hope that they will be sympathetic, and I am sure that you would accommodate that if they were.

Mr. Speaker: The matter has been put on the record and I must leave it at that.

Business Without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),—

CRIMINAL INJURIES COMPENSATION (NORTHERN IRELAND)

That the draft Alterations to the Northern Ireland Criminal Injuries Compensation Scheme 2002, which were laid before this House on 17 December, be approved. *—(Ian Lucas.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

CRIMINAL INJURIES COMPENSATION (NORTHERN IRELAND)

That the draft Northern Ireland Criminal Injuries Compensation Scheme 2009, which was laid before this House on 28 January, be approved. *—(Ian Lucas.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

TRIBUNALS AND INQUIRIES

That the draft Revenue and Customs Appeals Order 2009, which was laid before this House on 9 February, be approved. *—(Ian Lucas.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

IMMIGRATION

That the draft Immigration (Biometric Registration) (Amendment) Regulations 2009, which were laid before this House on 9 February, be approved. *—(Ian Lucas.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

PENSIONS

That the draft Occupational Pension Schemes (Levy Ceiling) Order 2009, which was laid before this House on 10 February, be approved.—*(Ian Lucas.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

PENSIONS

That the draft Pension Protection Fund (Pension Compensation Cap) Order 2009, which was laid before this House on 23 February, be approved.—*(Ian Lucas.)*

Question agreed to.

Blacklisting (Construction Industry)

Motion made, and Question proposed, That this House do now adjourn.—*(Ian Lucas.)*

10.5 pm

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I am pleased to have secured this Adjournment debate on blacklisting, because the practice impacts on the health of the construction industry and is accordingly a matter of public concern. The Government are the sector's largest client, so they have some responsibility to ensure that the working practices of the 1930s have no place in our modern construction industry. I hope that the Minister will take action to encourage the industry to change.

I want to make four brief points. The first is about the impact on the health and safety culture of the industry, and the second is about the climate of fear that discrimination creates. My third point is about the fact that many of the companies using the list kept by the Consulting Association were major companies working on publicly procured projects. Finally, I want to suggest to the Minister that, along with other measures, section 3 of the Employment Relations Act 1999 should now be implemented.

The construction industry is important. Before the recession, it provided employment for more than 2.8 million people. It contributed 8.7 per cent. of the UK economy's gross value added in 2006; to put that into perspective, I should say that that is twice that produced by the energy, automotive and aerospace industries combined. Construction has a huge impact on the UK economy. It is vital, and that is why we need a world-class construction sector that uses the best employment practices.

The health and safety record of the industry is worrying. Construction, for example, accounts for almost one third of workplace fatalities in the UK. The year 2006-07 saw an increase in the number of fatalities from 60 to 77, and in 2007-08 there were 72 fatal injuries. More than half those deaths resulted from a fall or from a worker's being struck by a falling object.

Workplace safety representatives are an essential tool in helping to improve the health and safety culture on site, but the blacklisting of people who take on the job militates against that. The Government have an important role to play in the issue, and workplace safety representatives will need to be reassured that they will not be blacklisted if they do their job properly. I shall return to that issue later.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Does my hon. Friend agree that health and safety should be part of the criteria when construction companies bid for Government contracts? The Government should look at the companies' track records on health and safety to flush out those that do not regard the issue as important.

Mr. Clapham: I thank my hon. Friend for that comment, which I agree with. The Construction (Design and Management) Regulations 2007 place an onus on the client to include health and safety in its criteria, and given that the Government are the biggest client in the public sector, they have a responsibility to take on and ensure health and safety.

[Mr. Clapham]

Between 2004 and 2007, a health and safety advisory scheme operated in the construction industry, run jointly by the Union of Construction, Allied Trades and Technicians and employers. That scheme, which included the Health and Safety Executive, was considered a success, but it has run into the sand because no more funding is available. Clearly, getting it up and running again is important for safety in construction. Bearing in mind that the 2007 regulations place a responsibility on Government, it is definitely something that they should pick up and put in place.

I recently spoke with a construction worker whose name is on the blacklist; I do not want to use his name for obvious reasons. He told me that he believed that the blacklisting was much more insidious than merely a list being kept by the Consulting Association. He had worked all his life in the industry and had been blacklisted for 35 years, basically for standing up for trade union rights, particularly in health and safety. In his view, what happens in the industry is that lists are exchanged from company to company. He came to that conclusion having been moved from one job to another. When he had been on site for only two or three days, he would be visited by the site agent and told that there was no work there for him. That caused him and his family enormous hardship, because he was continually moving from job to job and never having long-stay employment. He told me that the first time that he ever had any security was when he moved into the mining industry to work with construction companies such as Thyssen and Cementation that he had been working with on sites, because in mining they came under the framework of the Mines and Quarries Act 1954 and had to adhere to that. That gave him much more of a feeling of certainty than he had ever had on sites. The fact that he had to move from site to site taking all his family, shows the kind of hardship that is imposed on a person in the position of being blacklisted by companies involved in construction.

An article in *The Times* on 7 March 2009 indicates the kinds of companies—household names—that are involved in blacklisting. It says:

"Sir Robert McAlpine is one of more than 40 companies accused by Richard Thomas, the Information Commissioner, of breaching data protection laws after an investigation by his office sparked fears that many workers were being unfairly 'blacklisted'.

The commissioner alleges that Ian Kerr, of Droitwich, Worcestershire, charged companies £3,000 a year to consult his database of 3,213 workers, whose names were accompanied by notes such as 'poor timekeeper, will cause trouble' and 'Irish ex-army bad egg'."

It goes on to say that from invoices that have been obtained,

"It would appear that Sir Robert McAlpine and other companies made thousands of requests a year", a spokesman for the Information Commissioner said. He said that each request for information on a specific employee cost about £2.20 on top of the yearly subscription. That suggests that Sir Robert McAlpine made more than 10,000 requests"

for information on individuals in the past year.

Mr. Jim Devine (Livingston) (Lab): Although we are totally opposed to blacklisting, I wonder whether we should blacklist these companies.

Mr. Clapham: I understand that sentiment, and we need to ensure that companies engaged in publicly procured projects adhere to the law, which means that we need the regulations set out in the 1999 Act, the safety advisory schemes and the 2007 regulations.

John McDonnell (Hayes and Harlington) (Lab): When the 1999 legislation was introduced and debated in this House, we were ecstatic that the provisions in question were included. When I raised the matter in 2004 or 2005, and asked why that element of the legislation had not been implemented, the argument was that there was insufficient evidence to justify implementation—there was no evidence of blacklisting. The published evidence referred to by my hon. Friend clearly blows that argument out of the water. We now need swift implementation of that legislation.

Mr. Clapham: I agree totally with my hon. Friend's comments.

The fact that many of the companies making use of the Consulting Association are some of the country's largest construction companies is a worry. The fact that the public sector was the client in just over 31 per cent. of construction output in 2006, making it the industry's largest customer, suggests that the Government, as a major client, have some responsibility to use the powerful lever that exists to ensure that companies who use blacklists are not engaged on projects, which brings us to the point made by my hon. Friend the Member for Livingston (Mr. Devine). Still more could be done to change the behaviour of construction companies working on publicly procured projects by strict use of the 2007 regulations and the use of workers health and safety advisers, which together could start to change the culture.

The Minister may have seen my early-day motion 1020, which does not demand new primary legislation. There is no need for such legislation because the power is already in the statute book and available to the Secretary of State—it just needs to be enabled. Section 3 of the 1999 Act provides that the Secretary of State may make regulations prohibiting the compilation of lists that contain details of members' trade unions or persons who have taken part in the activities of trade unions, and lists which are compiled with a view to being used by employers or employment agencies for the purpose of discrimination in relation to recruitment or to the treatment of workers. The Minister will know that in 2003, the Government consulted on the regulations. A number of trade unions and trade union law firms responded to say that rather than wait for evidence of blacklisting, the Government should enact the regulations immediately. They did not. But now that evidence has emerged that blacklisting is taking place, it is time to bring them into effect.

If the Information Commissioner is to prosecute the Consulting Association and is considering what action to take against the construction companies to which information has been supplied, the Government must use their powers under the regulations to ensure that structures are in place to prevent it from reoccurring. That is an important point that must be emphasised. We need to ensure sustainability for those working in the industry.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Obviously, the Government have to take action on this matter, but in the absence of immediate action, would

my hon. Friend arrange for other Members throughout the House to be informed of the list of construction companies that have been operating the blacklist so that we can take it up with housing associations, councils and other organisations in our constituencies?

Mr. Clapham: I hear what my hon. Friend says, and his point is well made. The Minister will have heard it, and no doubt other Members will be thinking of tackling the issue in that way.

There was a consultation in 2003, and as far as I am aware, only two bodies—the CBI and the Engineering Employers Federation—said that they hoped that the regulations would not need to be introduced. Given that we have shown that there clearly is evidence that they need to be introduced, I would think that those two bodies would accept the points that were made at the time of the consultation and agree that the regulations should be brought into force.

Mr. David Anderson (Blaydon) (Lab): Does my hon. Friend agree that those two bodies epitomise what is wrong with this country? There is absolutely no level playing field. If this had been the other way round, and trade unions were restricting their trade, they would have been up before a High Court judge.

Mr. Clapham: I could not agree more with my hon. Friend's point.

I welcome the Department's statement of intention to review whether to use its powers if there were compelling evidence that blacklisting were being used. What could be more compelling than the evidence produced by the Information Commissioner? It has shown clearly that bodies such as the Consulting Association are involved in blacklisting. Some time ago, we thought that the Economic League and the Freedom Association had disappeared and that this kind of thing no longer happened, but the evidence clearly shows that it is happening.

Mr. David Crausby (Bolton, North-East) (Lab): Is it not clear to my hon. Friend and all those who have worked in the industry that blacklisting went on all the time? Anyone with any experience of the industry knew that scores and scores of people were driven not just out of work but out of the industry. They effectively had their trade stolen and were sent to work in other places. That has been common practice for very many years.

Mr. Clapham: I agree that anybody who has worked around the construction industry, and talked to people such as those I have talked to in preparing for the debate, gets the feeling that blacklisting has been around for many years, and that it is not just the large organisations that we have mentioned that organise it but the construction companies themselves. They prepare blacklists and exchange them among themselves.

As the Minister will be aware, the Information Commissioner is considering regulatory action against the firms involved. That is welcome, but the Government must move positively to bring into force section 3 of the 1999 Act to stop this outdated practice that has blighted many lives. I hope that he will say this evening that he is willing to act.

10.22 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate my hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) on securing the debate. I begin with something of an apology to you, Mr. Speaker, and to him for the slightly weak nature of my voice tonight. I hope that I manage to get through my response.

This subject is important and topical. The Government believe that people have a right to join a trade union if they so wish. That is a free choice and should not result in their being denied employment, so I share my hon. Friend's concerns about the recent revelations in the construction industry. He is right that that industry is of particular concern, because the safety of workers can be at stake as well as their employment.

The freedom to belong to a trade union is a key human right set out in many international treaties, including the European convention on human rights. Trade union representatives and activists—we should not forget that they are mostly unpaid volunteers—perform an important and valuable role in the workplace. For the most part they work in partnership with employers, but of course sometimes they challenge them. That can be when tensions arise, but it is important that trade union representatives are not subject to victimisation.

The practice of blacklisting should be anathema in today's Britain. It is a relic of the past, and if what has occurred recently in the construction industry is blacklisting rearing its head again, of course we will take that seriously. I shall come to what we are doing to address that, but first I shall briefly set out some of the protections that currently exist.

Sections 137, 146 and 152 of the Trade Union and Labour Relations (Consolidation) Act 1992 make it unlawful for an employer to refuse employment, cause someone to lose out at work or dismiss someone on the ground of trade union membership or activities. Those rights have been in place for decades, although we made some modifications in, for example, the Employment Relations Acts 1999 and 2004, providing more protection against victimising workers for using a union's services.

My hon. Friend the Member for Barnsley, West and Penistone also referred to the Data Protection Act 1998. To run any system, an organisation needs to manage a large amount of data, and organisations or persons managing such data are classed under the Act as data controllers. That means that they must register with the Information Commissioner—failure to do that is a criminal offence. In accordance with the Act's data protection principles, data controllers must make proportionate and fair use of data.

Trade union membership is classified as "sensitive personal data". According to the Act, it is unlawful, save for a few exceptions, to process such data without the subject's explicit consent. Since blacklisting is, by its nature, a covert activity, it is impossible to operate a blacklist successfully and stay within the provisions of the Act. The Information Commissioner has strong powers to investigate cases in which he thinks the Act is being breached. He used them extensively during his investigation into the affairs of the Consulting Association, which I will call TCA. He secured two search warrants and confiscated a large amount of material. One prosecution has begun. He can also issue enforcement notices, which require persons to act in accordance with the 1998 Act

[Mr. Pat McFadden]

by taking, or refraining from taking steps. One enforcement notice has so far been issued.

My hon. Friend mentioned section 3 of the Employment Relations Act 1999, which provides a power for making regulations to outlaw blacklisting. As he said, we have produced draft regulations, on which we consulted in 2003. They would allow individuals to obtain compensation for being refused employment or for suffering discrimination by their employer because of their inclusion on a trade union blacklist. Those complaints would be determined by the employment tribunal.

In addition, people, including trade unions, could claim damages from the compilers, disseminators and users of the blacklists for financial loss.

Mr. Devine: Why do we not just tell the companies on the list that they will not get Government contracts?

Mr. McFadden: I have already received a letter from one of the companies that have been mentioned, dissociating itself from the activity and claiming that it did not realise that it was buying into it. I will revert to that.

We reiterated our position that we would not consider implementing the regulations until clear evidence arose. That was the position in 2003. The investigation began in the middle of last year, when my Department learned that the Information Commissioner was investigating allegations of blacklisting. My officials were involved at an early stage and worked with the Information Commissioner's office. I pay tribute to those in that office for their diligence in pursuing a complex investigation.

As my hon. Friend the Member for Barnsley, West and Penistone described, significant abuse of the data protection principles and data protection law was uncovered. TCA has secretly listed more than 3,300 individuals and kept more detailed information on 1,600 of them.

Jim Sheridan: What penalties are in place to punish those companies?

Mr. McFadden: The compilers of the list can be prosecuted under the Data Protection Act and one such prosecution is pending. I believe that a fine can be imposed in a lower court, or a higher fine can be imposed in a higher court.

The critical question that my hon. Friend the Member for Barnsley, West and Penistone asked is what our response is. Around 25 construction companies appear to have been subscribers to the services of TCA and about 18 of them appear to have used the system recently. The information relates to the employment histories of individuals and in some cases it refers to their involvement in trade unions or their participation in industrial action.

The Government need to decide whether those activities fall within the definition of blacklisting found in section 3 of the 1999 Act. Earlier this month my officials spent two days at the offices of the Information Commissioner and they have examined much of the material that he has taken from TCA. My noble Friend the Secretary of State and I will closely examine their findings on the material and decide what action to take.

John McDonnell: Briefly, it is 10 years since we put the legislation through and we now have evidence of blacklisting, which the Government were unsure of before. We urgently require the implementation of the regulations, but we need to make them retrospective, so that those people who have suffered, particularly over the past 10 years, can gain proper compensation.

Mr. McFadden: I will come to how we are dealing with the problem.

Procurement has been mentioned. Any company, whether it works on public contracts or not, should comply with the law of the land. We expect companies not to break either data protection law or trade union law when planning or undertaking work for the public sector. Of course we recognise that construction companies need to ensure that they recruit the right calibre of person for the job, but there is no need to undertake covert and unfair vetting of the kind that TCA appears to have performed.

The Information Commissioner is following up his investigation in various ways. First, TCA is to be prosecuted, as I have said. I understand that the case will be heard towards the end of April. I also understand that the Information Commissioner is making further inquiries with the subscriber companies to determine the extent of their involvement with TCA. Those inquiries could lead to further action by the Information Commissioner. My Department will stay in close touch with the Information Commissioner and, as I have said, BERR officials have already inspected many of the records held by the Information Commissioner.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): It is not the weakness of your voice that concerns me, but the weakness of the response that our Government are making. Will you not unreservedly condemn the activities—

Mr. Speaker: Order. The traditions of the House are such that if the word "you" is used, it means me, the occupant of the Chair, and we cannot have that, can we?

Mr. Purchase: I unreservedly apologise, Mr. Speaker. Would my right hon. Friend unreservedly condemn the activities of that company and others that produce such lists, which result in the exclusion of workers from their proper and reasonable trade?

Mr. McFadden: I have said that blacklisting is anathema and it should have been left in the past.

My officials have already inspected many records. Our objective is to assess precisely whether the activities undertaken represent the kind of blacklisting activity that section 3 of the 1999 Act was designed to cover. The Secretary of State and I will examine the evidence in the case and we will examine the papers. We will take the matter seriously and the Government will make a decision on how to proceed. Let me reiterate that I share the deep concern that my hon. Friend the Member for Barnsley, West and Penistone has expressed about the revelations that have been made. We need to address the matter diligently and speedily. I assure him that we share his concern about the reports. We will examine the papers and the evidence and we will come to a conclusion in the near future.

Question put and agreed to.

10.34 pm

House adjourned.

House of Commons

Tuesday 24 March 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Community Children's Nurses

1. **Sir Nicholas Winterton** (Macclesfield) (Con): What recent assessment he has made of the effectiveness of community children's nurses. [265611]

The Parliamentary Under-Secretary of State for Health (Ann Keen): Developing high-quality community children's nursing services is crucial to the provision of safe, integrated and comprehensive care in the home or close to home for children with complex or continuing care needs. We are embarking on a wide-ranging programme of action dedicated to transforming community services. Within this programme, we are taking forward a project looking at the benefits and the opportunities arising from investment in community children's nursing services.

Sir Nicholas Winterton: I know that the Minister is aware that a reception was held in the House earlier this month that was sponsored by the Royal College of Nursing, of which the Minister was a member, and the WellChild charity, which was intended to encourage primary care trusts to employ community children's nurses in order to help not only children with long-term complex health needs, but their families. Will the Minister tell me what steps the Government are taking to ensure that these nurses are employed, as they will help children and their families to co-ordinate packages of not only medical but local care, which might help them to spend more time at home rather than commuting to hospital on a regular basis, as this is often painful to them?

Ann Keen: I congratulate the Royal College of Nursing and WellChild on holding that reception, which highlighted some very important issues; as the hon. Gentleman said, we were both present. Government funding of £340 million established through our recent child health strategy will help local areas to support the development of more care packages in the location preferred by the child and family. To provide the safe, comprehensive and sometimes highly complex packages of care that these children need takes time to co-ordinate. There are no quick fixes, as was highlighted at the reception. In many cases, delays are caused by the time taken to resolve issues such as housing and adaptations rather than the lack of community nurses, but we are committed to the work force and to the planning of community children's services. I believe that this area will be addressed in the Prime Minister's commission on the future of nursing and midwifery.

Mary Creagh (Wakefield) (Lab): Will the funding allocated to primary care trusts for community children's nurses be ring-fenced? As we often see with PCTs, if the money is not ring-fenced, it can sometimes be diverted to other priorities. How will the nurses work and interact with the local authority, which often provides the child's basic care needs in terms of getting the child up, ready and dressed?

Ann Keen: As I was saying, the complexity of the package is very evident, so we have to co-ordinate not only with local authorities, but with other agencies. Commissioners need to consider how the new funding established through the recent child health strategy can enable the development of children's community nursing services capable of providing a more all-round care package, including palliative care and, sadly, sometimes end-of-life care in the home or closer to home. It is for the commissioners to decide within the local community how best to manage those funds.

NHS Services (Economic Downturn)

2. **John Howell** (Henley) (Con): What assessment he has made of the likely effect on demand for NHS services of the economic downturn; and if he will make a statement. [265612]

The Minister of State, Department of Health (Mr. Ben Bradshaw): The evidence from Britain and other countries is that demand for health services increases in an economic downturn. However, thanks to funding already agreed for the period to 2011, we believe that the NHS is in a strong position to manage this well.

John Howell: As more and more families pull out of private health care, what pressure is the Minister seeing on primary care providers, and what assessment has he made of how well they are able to cope?

Mr. Bradshaw: It is quite difficult to get reliable figures on how many people withdraw from private health care, as it is obviously a matter for the private sector itself. A few months ago, Laing and Buisson said—the hon. Gentleman may have picked it up—that there has been a 10 per cent. reduction in people deciding to pay privately for their operations, but that actually preceded the economic downturn. Laing and Buisson believes that it has more to do with the very short waiting times on the NHS: there is now almost no difference at all between waiting times in the NHS and waiting times in the private sector. We are confident that, given the increase in investment that the NHS will receive over the next two years, even if all the people in this country choose to use NHS care—I hope that they would like to do so, given the short waiting times—the NHS will be able to cope very well.

Barry Gardiner (Brent, North) (Lab): My hon. Friend will be aware of the problems that Brent primary care trust was facing a couple of years ago with a £25 million deficit, so will he join me in congratulating Brent for

turning that deficit into a projected £12 million surplus this year, which means that more services are now being directed to the right people in my local area?

Mr. Bradshaw: My hon. Friend is absolutely right that two or three years ago, Brent PCT was in a parlous state. In fact, as recently as three years ago, 104 NHS organisations were in deficit, whereas now the figure is just 3 per cent. There has been a remarkable turnaround, so I would like to pay tribute not only to the management of the PCT in my hon. Friend's area—as he rightly says, the PCT will now be able to deliver sustainable and constantly improving NHS services to his constituents—but to all the managers throughout the country who have turned around their health care organisations in such a way.

David Tredinnick (Bosworth) (Con): Many of my constituents are very worried about the possibility that the proposed redevelopment of Hinckley and Bosworth community hospital will not go ahead because of the economic downturn. Will the Minister please look into the proposed public-private partnership, hold discussions with Leicestershire County and Rutland primary care trust, and then write to me?

Mr. Bradshaw: I shall be happy to do that. It is worth mentioning that a week or two ago our ministerial colleagues in the Treasury made an important announcement about the PFI which I hope will prevent the outcome at the hospital that the hon. Gentleman fears, but I will happily write to him to confirm that.

Mr. Lindsay Hoyle (Chorley) (Lab): My hon. Friend is aware of the effects of the economic downturn and the pressures that it has placed on the NHS, but is he aware that those effects are nowhere more evident than in the mental health service? People really do suffer, and we always feel that the mental health service is underfunded. Will my hon. Friend ensure that more resources will be provided if they are required, given that there will certainly be further pressure on the service in the future?

Mr. Bradshaw: Yes. Labour Members certainly do not agree with the Conservatives that a recession is good for people's health. We know from experience both in this country and abroad that when it comes to such issues as mental health, more men consult their GPs if they are unemployed. That can be an advantage, as men are notoriously reluctant to seek health care and advice. However, as my hon. Friend will know, mental health funding has risen by 40 per cent. in real terms in the last seven years. We do not think that the recession should just take its course, we do not think that it is a price worth paying, and we will be there to ensure that the NHS supports people who may be affected by the economic downturn.

Mr. John Leech (Manchester, Withington) (LD): If demand for the NHS is increasing during the economic downturn, it is even more vital for hospitals that have lost money in collapsed Icelandic banks to get that money back. Given the Prime Minister's recent comments in Manchester about Christie hospital's missing £7.5 million, what is the Department doing to ensure that Christie gets its money back?

Mr. Bradshaw: We are working closely with both Christie and the other hospital that has money in Icelandic banks. We are also working to ensure that all charities that are eligible claimants under the Financial Services Compensation Scheme receive their money in full.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My hon. Friend is absolutely right to say that it is wrong to suggest that a recession is good for people, particularly an economic downturn of this kind. Can he assure us that he will continue to focus investment on public services such as the NHS, and will not be diverted into cutting taxes such as inheritance tax?

Mr. Bradshaw: Yes. I think that we will face a clear choice at the next general election, between a Labour Government who are committed to continuing sustained investment in the NHS and a Conservative party which is committed to a tax cut for millionaires.

National Dementia Strategy

3. **Mrs. Jacqui Lait** (Beckenham) (Con): When he expects the national dementia strategy to be fully implemented in England. [265613]

5. **Jeremy Wright** (Rugby and Kenilworth) (Con): What progress has been made on delivery of the national dementia strategy. [265615]

The Minister of State, Department of Health (Phil Hope): The first national dementia strategy was published on 3 February this year, and will be implemented over a five-year period. Improving services for people with dementia is a Government priority, and we have already identified it as a priority for the national health service in the operating framework. That will help to ensure that dementia is prioritised locally where further improvement may be needed.

Mrs. Lait: The London borough of Bromley contains the highest percentage of retired people in London. What can I tell my constituents about the quality of the services that they can expect, and whether those services will be delivered through GP centres?

Phil Hope: The national dementia strategy covers a range of services, but it emphasises the importance of early diagnosis. We intend every area in the country—including the hon. Lady's constituency—to contain memory clinics, to which suitably trained GPs will refer people who show early symptoms of dementia. There they can be given an accurate diagnosis and assessment—as there are different forms of dementia—and then receive the specialist help and intervention that they require. We know that early intervention enables us to help people with dementia and their carers, and to ensure that people live much better with their dementia and stay in their own homes for longer.

Jeremy Wright: The Minister is well aware that objective 13 of the national dementia strategy is to provide

"An informed and effective workforce for people with dementia".

He also knows that two thirds of the care home population has a form of dementia. Does he agree that it will be important to provide training for the entire work force

in the care home and, indeed, the home care setting? When the all-party group, which I chair, has completed its inquiry into work force skills in this area, will he meet me to discuss the inquiry's conclusions and consider how they might be included in the implementation of the strategy?

Phil Hope: The hon. Gentleman, as chair of the all-party parliamentary group, and I have met regularly. He and the all-party group have made their welcome for the new dementia strategy public, and I am grateful for that. I would be happy to meet him once his group has concluded its investigation into trainees. It is right that we need to ensure that people, whether in hospitals—nurses and doctors—or in care homes, have the right skills, knowledge and understanding of the needs of people with dementia and their carers. That is why the dementia strategy states that a senior member of the hospital or care home should be responsible for ensuring that all staff in the hospital or care home know and understand the needs of people with dementia, so that they can ensure that the response that people get is the best response to meet their needs. It is certainly a matter for both the NHS and social care sector that staff be properly trained. We will publish our work force development strategy for the adult social work force in the near future.

David Lepper (Brighton, Pavilion) (Lab/Co-op): May I place on the record the fact that I am a trustee of a local dementia charity in Brighton and Hove supporting those with dementia and their carers? I am sure that the Minister will recognise the vital role of those caring for people with dementia in their own homes and know how welcome has been the additional funding for breaks for carers. What steps will he take to ensure that primary care trusts make use of the money to support breaks for carers, which is not ring-fenced? For example, in Brighton and Hove I think that £800,000 is available over two years.

Phil Hope: I congratulate my hon. Friend on the work that he does in his constituency in support of people in need of social care and in support of people with dementia. He is right to draw attention to the fact that the best care we can give to people is in their own homes, where people are with their family, neighbours and loved ones. Interventions that help that to happen for as long as possible are always in the best interests of the patient. What we need to include, of course, is support for the carers. Respite care is critical. He is right to say that more money has been provided for the next two years. It has been put into PCT baseline budgets. We have announced more money for carers through the carers strategy. I hope that not only in his constituency but throughout the country local organisations will ensure that that money is spent and that respite care is provided for those people who support people with dementia in their own homes.

Mr. David Crausby (Bolton, North-East) (Lab): What extra support can the Minister give to general practitioners to ensure that they detect the early signs of dementia, which is vital?

Phil Hope: My hon. Friend raises an important point because two thirds of people do not have their diagnosis of dementia undertaken formally. Many people therefore do not get diagnosed until two and a half or three years after they have contracted that destructive disease. Therefore, it is important that front-line staff such as GPs are better trained to spot the early symptoms. If they are not a specialist themselves, and many of them are not, it is important that they refer people to the specialist memory clinics in their areas, which can conduct a proper diagnosis. It is not just about conveying the diagnosis but about the way in which that is communicated to people with dementia and to their family, which can be an important part of coping and living well with dementia. We are ensuring that training for GPs is increased, so that they can spot the signs early, people can be diagnosed earlier, there is earlier intervention to help people to live with dementia better, and that that is the outcome across the country.

Greg Mulholland (Leeds, North-West) (LD): There is much to be welcomed in the national dementia strategy and I again ask the Government to find time for Parliament fully to debate that important strategy. But there is one notable gap in the strategy: there is nothing to tackle the grossly inadequate level of research into the various conditions that come under the dementia umbrella. How is the Minister getting on with persuading his colleagues the Chancellor and the Prime Minister to up the research budget for dementia? I know that that is something that the Minister is concerned about, and he knows that he has everyone's support on that.

Phil Hope: If the hon. Gentleman wants to debate the strategy in the House, he can use the usual channels to arrange for such a debate on a Liberal Democrat Opposition day, but I am very happy to debate the strategy because it is an excellent strategy that has been welcomed across the country. The hon. Gentleman is right to highlight the importance of research. The truth is that we do not have a cure for dementia; that is part of the tragedy of this disease. There is research happening not just in this country, but around the world, to examine what more can be done. But this is not only about cure; it is also about research into what helps people who have dementia and how they can be assisted to live with dementia better in their own homes and be treated better in care homes or in the NHS. I will be chairing a summit in July, where we will be bringing together people from different parts of the country and, indeed, from different countries, to look at what the state of research is and to see where the gaps in the evidence base are and what more we can be doing to improve that evidence base, drawing on the best knowledge not only in this country, but from countries around the world.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I welcome my hon. Friend's reply to the hon. Member for Rugby and Kenilworth (Jeremy Wright), who chairs the all-party group, and I look forward to meeting him to discuss the report. As well as looking at work force development, will he be looking at what the regulators can do in their assessment of care in homes and the community, and also of training, to drive up improvement in skills in dementia care?

Phil Hope: I am grateful to my hon. Friend for raising the important point that, as well as providing better services, we need to make sure we have inspection systems and regulation systems that drive up the quality

of care. She will know that on 1 April the care quality commission comes into being, which will integrate the three current inspection and regulation organisations. That will help to integrate health and social care for patients with dementia, and their loved ones and carers, to ensure we have an integrated system of inspection and regulation to raise standards right across the health and social care system for patients with dementia.

Robert Key (Salisbury) (Con): The Minister knows how warmly I welcome the strategy, because he was good enough to meet my constituent, Sir Terry Pratchett, along with the Prime Minister and myself, at No. 10 Downing street to discuss it. I must press the Minister, however; he has just said that he will hold a summit in July, and that is very welcome, but the Government have already announced that there will be no new money for research into dementia. How can he justify that decision?

Phil Hope: We had a good meeting with the Prime Minister, who takes a personal interest in these matters and who met Terry Pratchett. I must put on record the huge courage Terry Pratchett is displaying in allowing everyone to see how he is coping with the disease—with the diagnosis and then with living with the early stages. Indeed, many public figures have now been talking about their experiences. That is an important part of the process of raising awareness among the professions and the wider community about this disease and its consequences, and how we can help people live with it. On research, the Wellcome Trust is spending £30 million this year and more money is going into research. We need to ensure that before the summit we have done an analysis of all the research that is going on, and where the evidence base is insufficient or has gaps in it, so that we can plan and direct our resources to those areas where research will be most effective.

NHS Chief Executives

4. **Mr. David Kidney** (Stafford) (Lab): How many chief executives of (a) all NHS trusts and (b) foundation trusts are suspended from work. [265614]

The Secretary of State for Health (Alan Johnson): At the current time, I am aware of one NHS trust chief executive and one NHS foundation trust chief executive who are suspended from work. Chief executives and other executive directors are employees of their trusts, and suspension is a matter for the trust, acting in accordance with individual employment contracts and general employment law.

Mr. Kidney: I am grateful to my right hon. Friend for his answer. In Stafford's case, where a thorough and damning report is already available, why has the chief executive not already been sacked? If the answer to that is that there is still due process to go through, what assurance can my right hon. Friend give me that it will be brought to an end soon, so that we can stop paying taxpayers' money—that is hospital budget money—for someone who is doing nothing?

Alan Johnson: I am sure my hon. Friend will accept that there is no point in acting in haste and then finding there is a tribunal decision against the Government. We have to have due process. I want everyone's case to be considered properly. I am very pleased that the trust has called in Peter Garland, a former senior official and regional director in the health service, to help it with the investigation and to look not just at the chief executive, but at the responsibility of the whole board for the dreadful events that were catalogued in the Healthcare Commission report.

Mr. William Cash (Stone) (Con): Will the Secretary of State take account of the fact that I am repeating my call for an inquiry into this whole matter under the Inquiries Act 2005? Will he also make it clear that all those in that trust who are culpable, as set out in the Healthcare Commission report—that includes other senior management besides the chairman and the chief executive at the time—must be removed and not merely suspended on full pay?

Alan Johnson: As I just said, the investigation will involve everyone who has any position of authority within that trust—the whole board and all the executive directors. It will be a proper investigation and it will be fair, and the action taken will result from that inquiry, not from any knee-jerk reaction by me or anyone else.

Mr. Brian Jenkins (Tamworth) (Lab): Will my right hon. Friend assure us that there is no suspension culture in the national health service? Would he like to hazard a guess as to how long the longest-serving suspended employee in the NHS has been suspended for? If not, could he please send me a note on that?

Alan Johnson: I do not believe that there is a culture of suspension in the NHS. There are 1.3 million staff in the NHS, and I cannot give my hon. Friend an answer on how many people have been suspended or what the longest period of suspension is. However, I shall see whether somebody can answer his quiz question and then drop him a line.

Sir Patrick Cormack (South Staffordshire) (Con): As I was in Northern Ireland on parliamentary business when the Secretary of State made his statement last week, may I make it plain that my constituents are acutely concerned about this report? We want to restore the confidence and trust that this hospital used to enjoy—it was a good hospital and it did have a good reputation. Would not the quickest way to do that be to have an expeditious public inquiry, so that all the facts and the reasons can come out and we can then go forward under a new regime?

Alan Johnson: I believe the phrase "expeditious public inquiry" is a contradiction in terms, but I accept what the hon. Gentleman said. Indeed, I was very moved by the contribution of the shadow Chief Whip, the right hon. Member for West Derbyshire (Mr. McLoughlin), at last week's business questions—he pointed out that his mother had died in that hospital, having received excellent care. We have to ensure that the hon. Gentleman's constituents and those of my hon. Friend the Member for Stafford (Mr. Kidney), and other people who use that hospital are reassured that what the Healthcare Commission has said, in terms, in its report—that there has been drastic improvement, not least because of a huge increase in staff; staffing was at the core of the

problems—is indeed the case. That is why I have asked Professor Alberti to make a very swift report and to report back to Parliament in five weeks' time.

Norman Lamb (North Norfolk) (LD): Whenever the chief executive of a failing trust, such as the Mid Staffordshire NHS Foundation Trust, is suspended it raises questions about where responsibility really lies. Is not the Patients Association right to repeat the demand for an independent inquiry, looking particularly at the regulation and supervision of hospital care? Is that not particularly the case in the light of the letter in *The Times* today from Dr. Howard Baderman, a retired accident and emergency consultant who wrote two reports for the Department of Health? He talks of a "grave failure" by the Department to act on those reports in respect of other hospitals. Do we not owe it to NHS patients to ensure that all the lessons are learnt from this dreadful scandal?

Alan Johnson: We do need to learn all the lessons, but I point out to the hon. Gentleman that there was no independent regulator until we introduced one—the important word there is "independent". The Healthcare Commission report is independent. The letter in *The Times* this morning is strongly disputed, not just by the strategic health authority, but by people in the Department of Health who worked with the person who wrote that letter. We put patient safety first—we put it at the forefront of everything. I believe that the Patients Association will be reassured, not just with the Healthcare Commission report but with the three other reviews that are going on, and with the clear demonstrable fact that there is a very clear focus on finding out what happened at Stafford and why it happened—there is still an awful mystery to much of that—and on ensuring that we put the problems right, so that local residents can be assured that they have a safe hospital.

Charlotte Atkins (Staffordshire, Moorlands) (Lab): How can my right hon. Friend ensure that any sacked chief executives, including the one at Stafford, do not receive financial benefits from their failures through some sort of golden pay-off?

Alan Johnson: In 2007, we issued instructions through the NHS Chief Executive, reminding trusts that if they plan to give any financial reward, payment or golden goodbye to any departing chief executive or anyone else, it requires approval from the strategic health authority and the Treasury. As far as I know, no one in those two organisations would give anything other than the statutory entitlement to individuals, because the Government—and, I think, the Opposition—do not want to see any reward for failure, which has been so apparent in other sectors of the economy, creeping into the health service.

Mr. Andrew Lansley (South Cambridgeshire) (Con): On 15 October 2007, after the terrible events at Maidstone and Tunbridge Wells NHS Trust, the Secretary of State said that

"we should be spotting these issues much earlier and getting rid of incompetent chief executives or chairpersons who, fortunately, are in the minority, rather than waiting for a report such as this, by which time, frankly, most of the damage has been done."—[*Official Report*, 15 October 2007; Vol. 464, c. 571.]

The Secretary of State knew about the failings at Stafford in May 2008, so why did he not intervene then and there?

Alan Johnson: I ask the hon. Gentleman to look at the Healthcare Commission's report carefully. The difference between what happened in Stafford and in Maidstone and Tunbridge Wells, and the fact that the Healthcare Commission took into account those words and what others said at the time, is that as soon as commission staff went into Stafford and saw the problems—in May 2008—they immediately called the chief executive to a meeting, put their concerns to him, and started to see the process of improvement. That is the job of the Healthcare Commission while it carries out its inquiry. The staff cannot say at that stage that they have come to any conclusions, and it would be unfair, one day into an inquiry, to reach conclusions and say that heads must roll and recommendations must be made. We made that specific point to the Healthcare Commission at the time of Maidstone and Tunbridge Wells, so in Stafford staff immediately introduced measures to put things right, rather than wait for the end of the process and the report to be published—as I said they should do in that quote.

Mr. Lansley: I put it to the Secretary of State that he should look at the appendix to the Healthcare Commission's report and the letter of 23 May 2008 that was received by his Department. If he meant anything by saying that incompetent chief executives should be got rid of at the point at which one becomes aware of them, it should have been done then, but the Department failed to do it. The Secretary of State has to understand that there was a failure, not just within the trust, but within the agencies charged with commissioning, performance management and performance assessment, up to and including the Department itself.

The Secretary of State's proposed reviews—he now has three—do not have the scope, the powers or the independence to investigate those failures fully and, therefore, to restore public confidence. Will he agree today to institute an independent inquiry in the terms in respect of which I have written to him today?

Alan Johnson: We discussed this last week and there was no mention of an independent inquiry by the Opposition. The hon. Gentleman refers me to the appendix: let me refer him to the powers that the House gave to the Healthcare Commission. The commission could have immediately put that hospital into special measures. Its decision—as an independent regulator—was not to do so. It would have been quite wrong of Ministers to rush immediately to dismiss or discipline a chief executive when we did not even have any evidence from the Healthcare Commission. It had not reached any conclusion because it had spent only one day in the hospital.

Imagine a giant quango, the independent NHS board, trying to tackle these problems. The whole basis of the Opposition's policy is to try to remove politicians from these issues. That is quite wrong, and we are right to deal with these issues in the way that we have.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Of course our thoughts and hearts are with those who have suffered because of the debacle at

Stafford, but campaigners have drawn attention to many difficulties at the hospital over a very long period of time. The problem is that the board is stacked with accountants and solicitors who are not elected or responsible and who take no notice of what is going on. That is why we have ended up with what can only be called a tragedy. Will my right hon. Friend accept that the structures and targets in place for hospitals, such as looking for trust status and so on, distract them from delivering the care that they ought to be offering people?

Alan Johnson: I do not think that any neutral assessment of the Healthcare Commission report would conclude that the answer to the problem at Stafford would be to get rid of foundation trust status. However, my hon. Friend is right that the manager and the board at Stafford were seeking foundation trust status. To achieve that, incidentally, they had to put the trust into a proper financial position and save £4 million. They decided to save £12 million, and that is why there was one consultant and not four in the accident and emergency department, and why the hospital had three rather than 12 matrons. It is also why in the emergency assessment unit there was one nurse for every 15 patients, whereas most hospitals of that size have one for every six. Given that 85 per cent. of foundation trusts were considered to be excellent in their provision of services, it would be quite wrong to smear them with what happened in a badly managed and under-staffed hospital.

Children (Complex Health Needs)

6. **Ann Winterton** (Congleton) (Con): What steps he is taking to improve the care provided for children with long-term complex health needs. [265616]

The Minister of State, Department of Health (Dawn Primarolo): The Government's policy is to provide co-ordinated support as close to home as possible for children with complex health needs and their families. "Healthy Lives, Brighter Future: the strategy for children and young people's health", which was published in February of this year, built on previous commitments.

Ann Winterton: While I welcome the child health strategy, what plans do the Government have to increase the number of health visitors to assist children with long-term, complex needs? I understand that the numbers of health visitors have been cut over the past four years, so when will they be back to 2005 levels? What plans does the Minister have to provide adequate respite care for parents and other children in the family?

Dawn Primarolo: I know that the hon. Lady follows these considerations very closely, and I commend her for that. She will know that the Government have committed extra finance, to a total of some £340 million over this spending cycle, through both the Department for Children, Schools and Families and the Department of Health. We have also made clear the future priorities for both the operating framework and the present structure. First, we need to address the issues of palliative care and short breaks. Secondly, we need to look at the clinical pathways and put in place individual care plans. That addresses precisely the point that the hon. Lady made about health visitors, for instance, and the complex needs of these young people. Finally, we must address the question of managing medicines in schools. Those three sets of priorities have been identified by parents, people in the voluntary sector and the young people themselves. *[Interruption.]* If the hon. Member for South Cambridgeshire (Mr. Lansley) would just stop talking from a sedentary position, I would be able to answer the question. The day that the Conservative party provides answers to anything will truly be a damascene conversion.

I return to the final point made by the hon. Member for Congleton (Ann Winterton) about health visitors. I can confirm that the work being taken forward by the Government in the spring of this year will concentrate on the valuable role that health visitors play in meeting the complex needs of these young people.

David Taylor (North-West Leicestershire) (Lab/Co-op): Does my right hon. Friend agree that, when we talk about improving the care provided for children with complex care needs, we should focus particularly on respite care and day care, for the parents as well as for the child? The press covers far too many cases of parents whose lives have come to tragic ends because of the enormous stress and strain associated with providing care, over a very long period indeed, for a child with the extensive disabilities that we often see. We need to focus on the parents as well, do we not?

Dawn Primarolo: I entirely agree with the points that my hon. Friend makes, which relate particularly to the work being done on end-of-life care, and specifically to the requirements on which primary care trusts have been asked to focus, with regard to short breaks, and palliative and end-of-life care, for very vulnerable young people and children.

John Bercow (Buckingham) (Con): One group of children and young people with complex health needs consists of those who require high-tech, expensive communication aids to express their hopes, needs, fears and interests. I welcome the proposed joint commissioning pathfinders, to which the Government have sensibly committed. Will the right hon. Lady confirm that they will be taken forward with all due haste, and that the Government will look at other aspects of joint commissioning, and models for the provision of alternative and augmentative communication for children who are desperately in need of it?

Dawn Primarolo: I commend the hon. Gentleman on his excellent report, the recommendations of which the Government accepted. I can confirm that we will act on the specific points relating to the individual, and the very important support and care that individuals may need. We will also look at his recommendations on wider issues to do with speech, language and communication, and so at the collaboration that needs to take place beyond the health service, particularly through local area agreements, to make sure that we deliver on the recommendations that he rightly made.

Mr. Stephen O'Brien (Eddisbury) (Con): The Secretary of State pledged in his first speech as Health Secretary to meet the care needs of people with a learning disability, but in the light of today's shocking findings by the ombudsman on the NHS's failures in long-term care for young people with learning disabilities, when will the

Minister of State and the Secretary of State convert the words of January's strategy—itself an admission of the failure of the Government's 2001 "Valuing People" document—into the action that is so urgently needed if we are to avoid a repeat of the shocking discrimination and damage suffered by those with learning disabilities?

Dawn Primarolo: I absolutely agree with the hon. Gentleman; the report is shocking. The Government are determined to make progress by accepting recommendations previously made to us, by concentrating specifically on care plans, and by working with GPs on identifying issues, early intervention and providing the correct support. The Minister of State, my hon. Friend the Member for Corby (Phil Hope), has today clearly indicated our determination to make sure that the very highest standards are available to all those who access our health services.

Mental Health Services

7. **Lyn Brown** (West Ham) (Lab): What recent assessment he has made of the adequacy of levels of mental health care provision; and if he will make a statement. [265617]

The Minister of State, Department of Health (Phil Hope): The level of funding for mental health has never been higher. Since 2001, real-terms investment in adult mental health services has increased by 44 per cent., and the national health service spent £5.53 billion on adult mental health services in 2007. We have 64 per cent. more consultant psychiatrists, 71 per cent. more clinical psychologists and 21 per cent. more mental health nurses than we had in 1997, and are providing better care and support for people with mental illnesses.

Lyn Brown: I thank the Minister for that answer. I have consulted locally with constituents about the NHS in our area, and in general the feedback has been very good. I visited an excellent, fabulous facility for young people with acute mental health needs that is attached to my local hospital, but constituents have raised with me the issue of community support for young people with mental health needs. What progress is being made to provide community support for those young people in the area, and what I can tell my constituents on the issue?

Phil Hope: I had the pleasure of visiting my hon. Friend's constituency a few weeks ago. Newham was in fact a national demonstrator site for the development of new psychological therapies and a whole range of new services, and I was extremely impressed by what I saw. I congratulate her on the work that she does in her constituency to support the development of those services. In Newham, 16 staff are part of an early intervention team that helps young people between the ages of 14 and 35 with assessment and care. In particular, it tries to prevent those young people from being admitted to hospital at the first onset of psychosis or some other form of mental illness. Those new early intervention teams—a major investment—are matched by other teams that handle crisis resolution in homes, and outreach in the community. I hope that when she goes back to her constituents in Newham, she will congratulate them on the pathfinding work that they are doing, and assure them that the NHS in her area is seeking to work with other providers to meet the needs of young people and others in the community.

Anne Milton (Guildford) (Con): The picture around the rest of the country may not be not quite so rosy. Figures show that the number of people admitted to hospital for intentional self-harm has increased by a third in the past five years, from 74,000 to 97,000. More than 4,000 of those admissions were of children under the age of 14. One in eight women admitted to self-harm in 2007, an 80 per cent. increase since 2000. Figures released by the National Society for the Prevention of Cruelty to Children yesterday show that the number of suicidal children ringing the helpline ChildLine has tripled in the past five years. Is the Minister not ashamed of these appalling figures and the Government's failure to turn the tide on the country's deteriorating mental health?

Phil Hope: I understand the hon. Lady's concerns; it just surprises me sometimes when Opposition Front-Bench spokespersons reel off a list of statistics without asking questions and, more importantly, without acknowledging the substantial extra investment that this Labour Government have put in place and which her party voted against in every Budget since 1997. The issues that she highlights are serious and need to be addressed. I am pleased that the suicide rate in England continues to fall. It is now at its lowest since records began in 1861, and is among the lowest in Europe. I am also pleased that the World Health Organisation said:

"The ambition and pace of change in England has been remarkable over the last 10 years, and mental health services here are increasingly being seen across Europe as a model to follow."

That is a record that the Labour Government are proud of, but we know that there is more to do and we will continue to press forward to improve services across the country.

Dr. Doug Naysmith (Bristol, North-West) (Lab/Co-op): In his reply to my hon. Friend the Member for West Ham (Lyn Brown), my hon. Friend the Minister said that there had been a 70 per cent. increase in clinical psychology—I think the figure was 70 per cent.—but he will know, as I do, that that was from a pretty low base. Can he assure me that he will redouble his efforts to ensure increased numbers of clinical psychologists? Too often people who have been prescribed clinical psychology have to wait for it.

Phil Hope: My hon. Friend is right to say that we inherited a pretty poor show from the Conservatives after they were in power for 18 years. We are endeavouring to increase the quality of mental health services. This year is the last year of the national service framework for mental health, and it is the year in which we intend to look forward to establishing a new strategy for mental health services. Building on the success that we have had so far, we will be launching our New Horizons project to go out to consultation to enable us to hear throughout the country what more we can do to embed success in our mental health services, and to go further to ensure that we have mentally healthy communities more widely so that the public health system, as well as specialist services, reach the quality of care that we wish every individual to be able to receive across the country.

NHS Dentists

8. **Mr. Laurence Robertson** (Tewkesbury) (Con): If he will take steps to increase the number of NHS dentists in Gloucestershire; and if he will make a statement. [265618]

The Parliamentary Under-Secretary of State for Health (Ann Keen): I was assured by NHS South West and Gloucestershire primary care trust this morning that the PCT is in the process of inviting tenders for dental services with a total value of £6 million over the next two years—that is, £3 million in 2009-10 and £3 million in 2010-11. This investment will be used for building purpose-built practices as well as refurbishing community hospital sites to enable them to provide dental services, focusing on areas of most need in Gloucestershire. This investment has the potential to offer access to a dentist to approximately 95,000 people.

Mr. Robertson: It is difficult to calculate how many people are registered with an NHS dentist since the new contract was established. Perhaps the Minister could give us some idea of how many people are registered in Gloucestershire and nationally. Registration is patchy. In my Tewkesbury constituency a relatively small number of people are registered with NHS dentists, even when compared to other constituencies in Gloucestershire and especially when the national figure is taken into account. What can the Minister do to help the local PCT to increase that number?

Ann Keen: We have just announced the money, which will give access to an extra 95,000 people. I am sure that the hon. Gentleman would like to welcome that and congratulate the strategic health authority and primary care trust on the great leadership that they have shown on dental practice. I have been advised by the South West strategic health authority that Gloucestershire commissioned three new dental practices, all of which became operational in October 2008—in Forest of Dean, Cirencester and Tewksbury. The SHA has advised that in 2009-10 the tender is expected to be let for schemes in the areas of Gloucester city, Cheltenham and Stroud. The plan is for them to be fully operational by 2010-11.

Mike Penning (Hemel Hempstead) (Con): The 90,000 extra places for patients that the Minister has just announced will go part of the way to addressing the issue of the 1.1 million people who would like an NHS dentist. Professor Steele is currently doing his review. Will his report be published in full, and will the Government accept all his recommendations?

Ann Keen: The report, of course, will be accepted in full.

Mike Penning: "Accepted in full." Thank you.

Ann Keen: No, it will be published in full; all of us on this side of the House are humble enough to say when we have made an error. I only wish that the hon. Gentleman would be as honest when Conservative Members do. Like any sensible Government, we will look at the review when it is published.

Topical Questions

T1. [265636] **Tony Baldry** (Banbury) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Alan Johnson): The responsibilities of my Department embrace the whole range of NHS social care, mental health and public health service delivery, all of which are of equal importance.

Tony Baldry: I suspect that neither the Secretary of State nor the Government will want any surprises in early August. So will the right hon. Gentleman ask all the chief executives of hospital NHS trusts to report to him personally by the end of May on their ability and preparedness fully to implement the European working time directive? I suspect that such reports will demonstrate the need for some more middle-grade doctors if we are to continue with existing services.

Alan Johnson: We debated that issue during an Opposition day a few weeks ago. Everyone is aware of the need to comply with the European working time directive by 1 August; I trust that Opposition Front Benchers are now aware that every individual has the benefit of the opt-out.

T5. [265639] **Mr. David Kidney** (Stafford) (Lab): I called for a public inquiry into Stafford hospital. As that matter has been given a full airing already, may I ask whether the Secretary of State read the comments that I made in the House yesterday about Professor Alberti's review? Can he confirm that there will be no no-go areas at Stafford hospital for the Alberti review?

Alan Johnson: Yes, I can. I saw my hon. Friend's comments; obviously, I am particularly sensitive to how he, as the local MP, feels this inquiry is going. George Alberti has not only national but international renown on accident and emergency. As the Healthcare Commission report points out, accident and emergency is where the problem is in Stafford hospital. I assure my hon. Friend that there will be no no-go areas for Professor Alberti as he conducts his inquiry.

T2. [265637] **Tom Brake** (Carshalton and Wallington) (LD): Yesterday, I had a meeting with Mr. Longhurst, a constituent of mine whose three-year-old daughter suffers from epilepsy. He is very worried that services are going to be concentrated at St. George's and moved away from St. Helier, our local hospital. Will the Secretary of State agree to meet parents, my hon. Friend the Member for Sutton and Cheam (Mr. Burstow) and me to discuss parents' concerns? Furthermore, will he encourage the local trust to provide a speaker at a public meeting to discuss the issue? Finally, will he confirm that should services go to St. George's—

Mr. Speaker: Order. Topical questions should be snappy, and three supplementaries is just not on.

Alan Johnson: Unless my memory is fading, I met the hon. Gentleman and the hon. Member for Sutton and Cheam (Mr. Burstow) very recently. But let me say this: services locally in their area have to be determined on the basis of what is best for patient care. I will become

involved in the issue only if local politicians on the overview and scrutiny committee refer it to me. That is the right way for those issues to be resolved.

Mr. Kevin Barron (Rother Valley) (Lab): Since my right hon. Friend has been in post, has the Department of Health has ever lobbied the Treasury to put up the price of alcohol for health reasons?

Alan Johnson: I obviously cannot comment on the representations made in Government prior to each Budget.

T3. [265638] **Sir Nicholas Winterton** (Macclesfield) (Con): What assessment have the Government made of the future impact of cardiovascular and kidney disease and diabetes on NHS resources, and what plans are being put in place to deal with what will clearly be an additional burden on the NHS?

Alan Johnson: There are a number of bits of analysis on this. The one that struck home more than any other was the Foresight report conducted by some of the world's most eminent scientists and epidemiologists about the effect of obesity, which is a major driving factor in type 2 diabetes, cardiovascular disease and, indeed, cancer. They said that if we do nothing about this, by 2050 not only will there be an enormous burden in terms of disease but enormous costs—they estimate the cost will be around £50 billion to the NHS and to society more generally. That is why we are introducing the abdominal aortic aneurysm ultrasound check from this year, the vascular check for every adult between 40 and 73, call and recall, and many other initiatives to deal with prevention. The hon. Gentleman raises a crucial point about what we have to do now to prevent this disease burden in future.

Mr. John Heppell (Nottingham, East) (Lab): Last week, I attended a celebration of the Ear Foundation, which is a charity that was set up to fund the first cochlear implant procedure in the city of Nottingham. Now that the National Institute for Health and Clinical Excellence has decided that it is a good idea for profoundly deaf children to have implants for both ears, can the Secretary of State tell me what he is doing to ensure that primary care trusts listen to that advice?

The Minister of State, Department of Health (Dawn Primarolo): The recommendations from NICE with regard to implants must be complied with within three months of the guidance being issued, which was 28 January. PCTs are required to do two things. First, they must make available the funds for clinical decisions to be taken on the patients who should receive that treatment. Secondly, where there are patients who have already been treated but would now benefit from the NICE recommendations, they must ensure that a proper assessment is made of whether they should have that treatment provided to them.

T4. [265639] **Christopher Fraser** (South-West Norfolk) (Con): A particular area of concern for GPs in my constituency is the provision of psychiatric services. They say that those services are extremely thinly spread and greatly needed in all localities. Given that that need is expected to rise during the recession, does the Secretary of State accept that this is a problem in large rural areas such as Norfolk?

Alan Johnson: I would be very willing to look at the situation in the hon. Gentleman's own area. The roll-out of the IAPT—improving access to psychological therapies—initiative, described by Professor Layard as the most important reform in mental health since the NHS was created, will affect the hon. Gentleman's area as well as others. With 3,600 psychological therapists, on the back of a very successful trial in Newham and Doncaster, and the announcement made last Monday for the very reasons that he mentioned—the health problems associated with the global economic recession—we are bringing forward to this year the money, and recruitment, that was to be spent in 2010-11. That will make an enormous difference to the availability of psychiatric services.

Rob Marris (Wolverhampton, South-West) (Lab): In the private sector and in the public sector, those at senior levels who fail are too often allowed to walk away with money, not fired. Can the Minister tell me how many NHS chief executives and trust board members have been fired since 1997?

Alan Johnson: No, we do not keep those figures centrally. We know how many non-executive directors have been fired—seven since 2001, when the Appointments Commission took over the role and kept statistics. Executive directors are the responsibility of each employer and each trust, and we do not hold those figures centrally.

T6. [265642] **Mr. Stewart Jackson** (Peterborough) (Con): We know that the increase in the number of live births has outstripped the increase in the number of midwives by a ratio of 3:1 in the period since 2001. The impact of that is particularly acute in areas of high population growth, such as my constituency. The Royal College of Midwives states that 3,600 new midwives are needed in such areas. Two weeks ago, six expectant mothers were turned away by the maternity unit at Peterborough district hospital and forced to travel 35 miles to King's Lynn. What is the Minister going to do about that?

The Parliamentary Under-Secretary of State for Health (Ann Keen): We are actively recruiting midwives, and working very closely with the Royal College of Midwives. If an expectant mother were turned away from a unit it would be for reasons of safety—for the mother and the birth—because there was not enough capacity. We have an escalating birth rate and an active recruitment programme of midwives. We are also encouraging return to practise. I am sure that the hon. Gentleman would agree that the safety of the mother, and the circumstances of the birth, is paramount and it is better for a mother to travel elsewhere than for her to be admitted and made unsafe. It is unfortunate when a woman has to travel further to give birth, but it is a matter of safe practice.

Dr. Richard Taylor (Wyre Forest) (Ind): What can the Secretary of State do to encourage NHS chief executives to listen to and take note of staff whistleblowers so that they do not feel that they are putting their jobs and careers in jeopardy?

Alan Johnson: The hon. Gentleman raises an important point. Some of the evidence from Stafford—and we do not have it all yet—shows that staff were raising complaints,

but they were never reported to the board. Indeed, the board, when it discussed such issues, met in private, and all the indications are that it did not consider individual cases. It dealt with high-level issues.

The hon. Gentleman will accept that the NHS constitution, which has a substantial section on staff responsibilities, and the Public Interest Disclosure Act 1998, which was introduced by this Government, ensure that if there are whistles available, someone to blow them and something to be blown about, that should happen, and we should know about it. One of the great abiding mysteries of Stafford is that no such whistle was blown.

Mr. David Anderson (Blaydon) (Lab): Will the Secretary of State look into the situation where Newcastle hospitals have withdrawn from the joint partnership on laundry services with the Queen Elizabeth hospital in Gateshead in my constituency? They are now transporting laundry to Leicester—364 miles there and back. That is a ridiculous thing to do when the cost of the contract is exactly the same.

Alan Johnson: At face value, that seems rather strange, environmentally as well as financially. If my hon. Friend contacts me about the matter, I would be willing to look into it.

T7. [265643] **Mr. Andrew Mackay** (Bracknell) (Con): While Sir Liam Donaldson's comments about tackling alcohol abuse might have been well meaning, does the Secretary of State accept that for many of my constituents—perfectly ordinary people struggling in this recession—the idea of a huge tax increase on relatively cheap bottles of wine is quite unreasonable?

Alan Johnson: I share the right hon. Gentleman's view on that. For 150 years, the chief medical officer has been producing such reports—not the same person, of course—that have made a huge contribution to public health in this country, sometimes years after a report has been published. I respect the integrity of the chief medical officer, as I am sure the right hon. Gentleman does, but I just happen to disagree with that solution.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): Incidents of methicillin-resistant Staphylococcus aureus in my three local hospitals have drastically reduced in the last few months, but will the Secretary of State look at the methodology currently used for determining incidents of MRSA in hospitals? In Barnsley, we had an incident where a patient had an infection after his pacemaker had been fitted in an independent treatment centre. Because it took some time to discover how he had been infected in the hospital, the infection was counted as three separate incidents of MRSA for that same patient. That seems a bit unfair to me, so will my right hon. Friend look into that?

Alan Johnson: My hon. Friend is right to point to the 65 per cent. reduction in MRSA against the baseline of 2003-04, and there has been a 47 per cent. reduction in cases of clostridium difficile compared with the same quarter last year. He raises an important point, and one case of MRSA, clostridium difficile or any hospital-acquired infection is one case too many. We must consider sensible points such as his to see whether we can eradicate another source of health care-acquired infection.

T8. [265644] **Michael Fabricant** (Lichfield) (Con): Two constituents came to my surgery a few weeks ago to talk to me about a hospital in the west midlands—not Mid-Staffordshire hospital. They showed me photographs of mouse holes, mouse droppings in the operating theatre and blood smeared in wards. One is a consultant surgeon and both were frightened of being whistleblowers and feared for their jobs. What sort of ethos exists in the health service if people like that can be afraid of revealing the truth?

Alan Johnson: I know about that case, because the hon. Gentleman dropped me a note about it after the debate last week, and I am looking into it. As he did not mention the hospital, neither will I, but the fact that he has now placed the matter on record allows me to respond to him more formally than I would otherwise have done.

I do not understand why clinicians whose primary role is the safety of their patients are somehow concerned about whistleblowing. Indeed, knowing the number of people in various occupations who are not slow to make people aware of such difficulties, it amazes me that that did not happen at Stafford. The hon. Gentleman has taken a great interest in the matter, and I shall make absolutely sure that the issue that he has raised with me is thoroughly examined. Incidentally, I would also like to talk to the consultant concerned to find out why they were so frightened to raise the matter.

T9. [265645] **Dr. John Pugh** (Southport) (LD): The Minister will know that I have already raised the issue of the mental health of adolescents in the north-west. Can he tell me why the north-west has the greatest number of adolescents in adult wards in the country, contrary to the spirit of mental health legislation?

The Minister of State, Department of Health (Phil Hope): We are waiting for the latest statistics, but we want no children under the age of 16 with mental health problems to be treated on adult wards. There is a discussion about what is in the best clinical interests of adolescents aged 17 and 18 to meet their needs, but until those statistics are published I am unable to comment on the specifics. I am happy to examine the details that the hon. Gentleman mentions.

International Terrorism

3.37 pm

The Secretary of State for the Home Department (Jacqui Smith): I have today published the revised version of the Government's strategy for countering international terrorism. Protecting the safety of everybody in Britain is the primary duty, and the abiding obligation, of Government. Recent events in Northern Ireland were a chilling reminder that the threat of terrorism has not left our shores, and they demonstrated the need to continue to adapt our approach so that we can deal with that threat wherever it emerges.

As we set out in our Contest strategy today, the greatest security threat that we face comes from al-Qaeda and related groups and individuals. Our aim is to reduce the risk to the UK and our interests overseas from international terrorism, so that people can go about their lives freely and with confidence. We know that the threat is severe and that an attack is highly likely and could happen without warning at any time. We know that this new form of terrorism is different in scale and nature from the terrorist threats that we have had to deal with in recent decades. This new form of terrorism is rooted in conflicts overseas and the fragility of some states and grounded in an extremist ideology that uses violence to further its ends. It exploits the opportunities created by modern technologies and seeks to radicalise young people into violent extremism.

The threat now comes from the al-Qaeda leadership and its immediate associates, located mainly on the Pakistan-Afghanistan border, as well as from its affiliates and from others, including rogue individuals, who espouse similar views. As hon. Members throughout the House will know, not least my predecessors as Home Secretary, on whose important work this strategy builds, those groups have planned a succession of attacks against the UK with the aim of causing mass casualties.

Thanks to the hard work and dedication of thousands of people, to whom I pay tribute, we have had considerable success in stopping terrorists in their tracks and bringing those responsible to justice. We have disrupted more than a dozen attempted terrorist plots in the UK and, since 2001, almost 200 people have been convicted of terrorist-related offences.

However, the threat remains and is always evolving. The strategy takes that into account, draws on what we have learned about how to counter it, and reflects the increased resources that we have rightly made available to keep Britain safe. In recent years, the number of police dedicated to counter-terrorism work has grown from 1,700 to 3,000. The Security Service has doubled in size.

We have trained tens of thousands of people throughout the country to prepare for and protect against a terrorist attack, and we are working with communities to prevent the spread of violent extremism. We currently spend £2.5 billion on countering terrorism. By 2011, that will rise to £3.5 billion—the majority will be spent on the main focus of work: pursuing terrorists wherever they are and stopping their attacks.

The Contest strategy remains centred on four key areas—Pursue, Prevent, Protect and Prepare. We have updated each of them. Pursue will make use of the new resources and new legislation available to the intelligence agencies and police to investigate and disrupt terrorist networks here and overseas, and to prosecute those responsible.

Prevent will reach more people than ever, as we step up our efforts to stop people becoming terrorists or supporting violent extremism. That reflects our better understanding of the causes of radicalisation and includes new programmes and new partnerships with communities here and overseas.

Protect aims to strengthen our defences against an attack through a strong border, improved resilience in our critical national infrastructure and greater protection for the crowded places where we all live, work, shop and play.

Prepare will limit the impact of any attacks that occur, with tens of thousands of emergency services workers, security guards, store managers and others trained and equipped to deal with an incident. Every region of the country now has plans to deal with an attack, improve our ability to recover and ensure a return to normal as soon as possible.

There is also dedicated cross-Government work on the specific threat posed by terrorist use of chemical, biological, radiological or nuclear weapons and explosives.

The vital work to counter terrorism cannot be done by central Government, the police and agencies working alone. That is why the revised strategy is based on work right across central and devolved Government and local government, and with our international partners and local communities.

In addressing both the immediate threats and their longer-term causes—and how we will deliver action locally, nationally and internationally—our aim has been to publish as full and open an account of our work as possible. The strategy also draws close links with other Government policies that are essential to its delivery, including conflict reduction, our international aid programme, counter-proliferation, our work in Afghanistan and Pakistan, and our support to communities here, building cohesion, empowerment and equality in this country. The strategy is also closely co-ordinated with the national security strategy, which was published for the first time last year.

The challenge that all of us in the House face is striking the right balance between measures to protect security and the right to life, and the impact on the other rights that we hold dear.

Contest is based on clear and unambiguous principles. My approach to protecting Britain's security in the face of the terrorist threat will always be underpinned by our core shared values, including the protection of human rights, the rule of law, and democratic and accountable government.

The Government have sought that balance at all times, but we remain uncompromising on several issues. We oppose the use of torture in all its forms. We have always condemned the practice of extraordinary rendition, and will continue to do so.

The strategy is comprehensive and wide ranging. In publishing it, our primary aim is to reassure the British public that we are doing all in our power to protect this country through our relentless pursuit of terrorists and our determination to prevent violent extremism.

I commend the statement to the House.

Chris Grayling (Epsom and Ewell) (Con): May I thank the Home Secretary for providing an advance copy of her statement? Once again, however, may I express my annoyance on behalf of the House at the fact that the documents, which are published today, were released and distributed through the media long before they were released to MPs? That is completely unacceptable and goes against numerous rulings by you, Mr. Speaker. The Home Secretary should be ashamed of herself.

I join the Home Secretary in paying tribute to the police and all the security services, both overseas and at home, for their work in protecting us against the terrorist threat, but we should do more than recognise that hard work—we should also recognise their personal courage in looking after us. We all share the same goal in respect of the issues we are discussing today. We want to do everything we can to combat terror, and we will be constructive critics of what the Government do as a result.

Furthermore, we face new kinds of threat. The events in Mumbai in November were truly shocking. Innocent people were gunned down in their hotel rooms or shot at random on a busy railway station. Armed men roaming the streets of cities looking for people to shoot indiscriminately is a new experience in the battle against terror. That is why we back the Government's aim of broadening knowledge of the terrorist threat to thousands of people who work in public places.

However, the Government have to do the job properly. It is depressing to discover that the programme described in last weekend's newspapers by the Prime Minister does not appear to be what we were promised. He described the programme as follows:

> "Tens of thousands of men and women...from security guards to store managers...have now been trained and equipped to deal with an incident and know what to watch for as people go about their daily business".

Will the Home Secretary confirm that the training programme described by the Prime Minister amounts to no more than a voluntary three-hour seminar, and that includes the coffee break? I do not see how we can train people properly to deal with terrorism in less than half the time allocated to a cycling proficiency course.

Will the Home Secretary tell us how widely the training has been spread? When we contacted the management of two major shopping centres this morning, we were told that all that they knew about the plans was from newspaper reports this week. Why?

When it comes to new kinds of threat, the Home Secretary is right to highlight the need to be aware of the danger of an attack with chemical, biological or radiological weapons, but will she tell the House why police in London will not all have access to protective equipment ahead of the G20 summit?

The other big caveat is how we deal with the groups that foster both hatred and violence in our society and the extremism that underpins many aspects of the threat that we face. The meeting held in a school in London last week at which one of the most controversial of all the so-called preachers of hate, Omar Bakri, was able to preach over a phone line to a group of followers and call for attacks on British soldiers and civilians was a disgrace. Why was that allowed to happen?

We have to deal with extremism in all its guises. People have the right to campaign for radical change in our society. We should not seek to ban them from doing so, but the state has the right to protect its people and its institutions, and the principles of a democratic society. We should not be providing support to those who wish to undermine that society, so will the Home Secretary now stop funding groups that propagate extremism, and instead concentrate on funding projects that break down the community divide?

We will support the Government when they do the right thing to combat terrorism. There is much in the document that we welcome, but the Government's strategy is not perfect and we will continue to push for change where we believe that it is flawed. We will do so out of a desire that I believe is shared right across this House: to do everything we can to keep the terrorist threat at bay.

Jacqui Smith: In relation to the hon. Gentleman's first point, the Contest strategy has been available to hon. Members in the Vote Office since 10 o'clock this morning.

Chris Grayling: The media had it last night.

Jacqui Smith: No, the media did not have it last night. It was available to hon. Members at 10 o'clock this morning and, as the hon. Gentleman knows, I personally sent him a copy today as well.

I am glad that the hon. Gentleman paid tribute to those involved in helping to keep this country safe. I welcome that tribute. I accept his point that we need to learn from terrible events such as those in Mumbai and Lahore—and we will—and to feed that into our ongoing work to protect from and to prepare for terrorist attacks.

The hon. Gentleman talks about the work we are taking forward through Project Argus. I am sorry that he was so dismissive of a wide-ranging programme that is placed on top of the work of police officers, police community support officers, the security and intelligence agencies and others who work to keep us safe, and that aims to provide training and preparation and to protect us where we shop, where we work and where we live. About 700 programmes have been implemented under Project Argus and more than 30,000 people have received training—and plans are in place for even more people to receive it. On top of that, separate training programmes for security guards are being conducted throughout the country to help ensure that they are vigilant. I hope that hon. Members will welcome and support that work in their local communities.

The hon. Gentleman welcomes our focus on the chemical, biological, radiological and nuclear threat. We are ensuring, once again, that all police officers receive basic information training in CBRN threats, with 8,000 police officers receiving specific training, and they all have access to protective equipment.

The hon. Gentleman rightly emphasises, as do we, the challenge to counteract violent extremism and those who want to support terrorism. In providing funding for groups and other elements of the work, we have ensured that we can measure the outcomes of what those groups do. We commissioned a review from Her Majesty's inspectorate of constabulary and the Audit Commission, which has already been published. I agree that our work to counter violent extremism and to support shared values needs to go even further, which is why we are clear in this document about the values that we share—the same values, incidentally, that are under

attack by terrorists—and we will as a Government and more widely across the community challenge those who do not share those values. I hope that the hon. Gentleman will recognise that our emphasis on working—not just in communities, but more widely in prisons, schools, universities and internationally—to prevent people from turning to violent extremism is an important part of, and the correct long-term approach to, what I hope is our joint work to help keep this country safer.

Keith Vaz (Leicester, East) (Lab): I welcome the Home Secretary's statement and her commitment to continue to engage with communities. As events in Luton showed, it is extremely important to continue that process of engagement. She mentioned Mumbai, but security in major hotels and tourist places in such cities does not bear comparison with what is happening in London. Although I of course welcome everything the Government have done in training staff, it is vital that we continue to work with the private sector to ensure that it puts in place the necessary security arrangements in our major hotels and major tourist destinations, which will be targeted by terrorists, and we must prepare for that.

Jacqui Smith: I think my right hon. Friend is right to draw attention, as I did, to the need to learn from events such as those in Mumbai. I am glad that he welcomes the fact that, through the security advisers we fund, we have ensured that hotel operators are trained. In addition, of course, we provide advice, and we are developing the way in which we provide it—for example, ensuring that buildings are designed and built to be as safe as possible from potential terrorist attack. We will continue to do that and build on that work. I am sure my right hon. Friend shares my view that terrorists want us to garner obvious, difficult and cumbersome forms of security that prevent us from going about our daily lives. Our task is to make sure that everybody is able to live their daily lives as freely, but as securely, as possible.

Chris Huhne (Eastleigh) (LD): I thank the Home Secretary for giving me advance sight of the statement, although I should have liked more opportunity to look at the substantial purple document that accompanies it. Perhaps on the next occasion the Home Secretary could arrange to inform Members that it is available, as that certainly was not obvious to me.

Terrorism remains a grave threat to our society—on that, we are agreed. I too pay tribute to the work of the Security Service, the Secret Intelligence Service and, indeed, the police forces involved in counter-intelligence and counter-terrorism, who are so involved in this fight. We have faced it before in the form of republican Irish terrorism and have survived it, and I have no doubt that we shall do so again. Does the Home Secretary agree, however, that although the threat is severe, our response must always be measured and proportionate? We must never become what we are fighting, for therein lies a loss of the moral high ground and the esteem of the very people whom we need to provide intelligence and witnesses.

There is much to welcome in this document, but what further ongoing training, and indeed communication with those involved in counter-intelligence, will these 60,000 people have? What powers will they have, and what does she expect of them? Does she recognise that many innocent people going about their lawful business, from train-spotters to tourists and, in the latest incident, night fishermen, have been arrested by over-zealous police officers? What will she do to prevent that from happening again?

Our concern about the strategy is that it continues to sacrifice hard-won liberties in the name of security, and to trespass at the edge of what is acceptable to many British people. Ministers have repeatedly returned with proposals for longer periods of detention without charge, as if the whole fight against terrorism could be reduced to a number: 90 days, 42 days and, still, 28 days—more than double the next longest period in an English-speaking country.

Would it not be better if the Home Secretary made more hasty progress with the introduction of intercept evidence in courts? What progress is she making with that? Given the substantial success of criminal convictions for terrorist offences—at 92 per cent., the figure is far higher than those for other serious crimes, which is cause for real congratulation of the Home Secretary—will she now review the need for some of the more extreme measures that she introduced in relation to the very long period of detention without charge? Will she come back to the House with a reform of the regime for control orders?

Jacqui Smith: I thank the hon. Gentleman for paying tribute to those involved in countering terrorism and keeping us safe. I agree that our response should be measured and proportionate, but I disagree with his assessment that it is not. I have made it completely clear in the strategy that our approach to countering terrorism must be grounded in basic human rights: that is at the heart of our approach.

The hon. Gentleman described the training that we provide through Project Argus, and other training, as being about giving powers to those involved, but it is not about giving them specific powers. It is about, for example, enabling security guards to be vigilant and aware of what is happening outside, perhaps outside the night club that they are guarding, and training people in shopping centres to be aware of what would happen in the event of a terrorist attack. Those people must learn how to lead others to safety, and where the safe places are. Pretty practical and, I think, sensible guidance and advice will be given to people who can play a role—although it will not be their primary role—in keeping others safe.

The hon. Gentleman returned once again—which I did not, in my statement—to detention periods, and to the fallacy that detention periods in this country are somehow out of step with those in other countries. We have presented our argument time after time. I remind the hon. Gentleman of the arguments that we have presented about European countries—never mind other countries—where people are detained for longer periods, effectively pre-charge, than is the case in this country, and I remind him that in this country any detention for longer than 24 hours is subject to judicial oversight and review.

The hon. Gentleman asks about our progress with intercept evidence. As we have made clear, we are working through the proposition made in the Chilcot review that it is possible to design a legal system in which we could use intercept evidence, while fulfilling the Privy Council review's nine tests. As we spelt out in a recent written ministerial statement, we are now, having reviewed and designed a system, trying to test it with real cases.

Mr. Ian McCartney (Makerfield) (Lab): I welcome my right hon. Friend's statement. It is important that these reviews are ongoing, as terrorist movements across the world and in this country do not stand still in trying to ensure that on one occasion—it only takes one occasion—they get through, kill people and cause the destruction of life and property. For those who are maimed, life will never be the same again.

I welcome the statement but I would like my right hon. Friend to go back to her colleagues in Government on one part of it. In the past 10 years, 200 of our fellow citizens have been killed abroad in terrorist attacks, and 150 have been maimed for life, yet we still do not have a comprehensive compensation scheme for British citizens abroad. These are not combatants or volunteers; they are simply men, women and children who were in the wrong place at the wrong time, and because it was not in the United Kingdom they are treated differently. That is indefensible. We are dealing with worldwide terrorism. Every British citizen is entitled to be treated the same and to be protected. Where something goes wrong, they and their families are entitled to be looked after by this country. I ask her to take that back to her colleagues and to give a clear indication, possibly as early as the Budget, about what we should do about it.

Jacqui Smith: My right hon. Friend is right to be impassioned about the safety of people both in this country and overseas. A specific part of the strategy is to protect our interests here and overseas, but I understand that he is making a specific point about compensation. We already provide considerable assistance, but I will reflect on his points about a compensation system for those harmed in terrorist attacks overseas, and discuss them with colleagues.

Dr. Julian Lewis (New Forest, East) (Con): Is there any particular reason why the Pursue strand in the document is being moved up ahead of the Prevent strand, which is normally the first named? Has the right hon. Lady made any progress in her dealings with university staff in reminding them that, while the preservation of academic freedom is absolutely vital, they also have duties as citizens of this country to report to the appropriate authorities any incipient criminal activities that they detect on campus?

Jacqui Smith: I think that the order has always been Pursue and then Prevent. Of course the short-term task is to pursue those who are plotting terrorist attacks and to bring them to justice, and the long-term aim is to prevent people from turning to terrorism or violent extremism in the first place. I hope that the hon. Gentleman will not read too much into the placing of those elements in the list. It is a wide-ranging and comprehensive strategy that requires all four Ps to be successful.

The hon. Gentleman makes an important point about higher education institutions. We have made considerable progress, not least through the work of my right hon. and hon. Friends in the Department for Innovation, Universities and Skills, in providing more guidance on what happens in higher education institutions. It is now recognised that while academic freedom and the right of discussion is absolutely fundamentally part of university life, so is the protection of young people from potential radicalisation, which may lead them to tragic consequences, and the right of everyone to have freedom to live on university campuses without being subject to some of the radicalising influences and violent extremism that there is a risk of being perpetrated in some of our higher education institutions.

Mr. David Blunkett (Sheffield, Brightside) (Lab): I thank my right hon. Friend and all those who have worked with her on updating the Contest strategy, which we first put together in 2003. While it is understandable that she will be concentrating on the immediate physical risk to life and limb, demonstrated so tragically on 7 July 2005, and the chemical, biological, radiological and nuclear threat that exists, will she consider adding a further letter to CBRN—E for electronic or cyber attack?

There is a brief mention of it in the updated document, but as we saw from Estonia and can see what is happening across the world, there is a real danger that terrorists could launch such an attack in a devastating fashion that would not only undermine our already fragile economy, but put people at substantial risk.

Jacqui Smith: My right hon. Friend makes those comments from a position of considerable experience in terms of his contribution to the whole issue of how we counter the terrorist threat. He is right that cyber-security generally cuts across almost all the challenges highlighted last year in the national security strategy, including not only terrorism but matters such as organised crime and business crime. That is why a piece of work currently being undertaken by the Cabinet Office is extremely important; it is leading a cross-departmental project on cyber-security, and I hope my right hon. Friend is reassured to know that that work is going on in Government. He will also know, not least because he and I were in Washington at the same time, just over a week ago, that the way in which we can work with our international partners is also very important. During that trip, I was able to meet Janet Napolitano at the Department of Homeland Security, who is currently reviewing the role that that Department should play in cyber-security in the US, and we agreed to share experience, to work together, to tackle many of the problems posed in the area of cyber-security and to ensure we can be safe in the virtual world in the same way as we are in the real world.

Patrick Mercer (Newark) (Con): The Home Secretary will be aware that one of the so-called preachers of hate is currently in a high-security prison awaiting deportation as a danger to the state. When he was on Special Immigration Appeals Commission bail, he was forbidden to use the internet, yet as we speak, he is broadcasting on the internet his litany of hate, trying to suborn young minds across the country and the world. That is happening from inside a high-security prison. How can that happen?

Jacqui Smith: My right hon. Friend the Secretary of State for Justice was present in the Chamber until recently. I am sure he will be concerned to hear what the hon. Gentleman has said, and I will take that up with my right hon. Friend.

John Reid (Airdrie and Shotts) (Lab): As you may know, Mr. Speaker, I have an interest in these matters, as declared in the register. First, may I congratulate the Home Secretary on what I consider the most important

element of this strategy: its unparalleled openness? Does she agree that if we are truly to be able to face, respond to and—God forbid that we ever have the need—recover from a terrorist attack, the resilience that is needed will ultimately lie not in the agencies of the state, but in the resolve, spirit and understanding, and support for our aims, of the ordinary people of this country? Therefore, may I commend her training programmes, and ask whether she agrees that the litmus test of this strategy is how far it will embed that resilience not just in the political leadership here or the formal security agencies of the British state, but in the ordinary people of Britain, because it is ultimately through them and in the communities that we will defeat the terrorists?

Jacqui Smith: I thank my right hon. Friend for those words, and also for his extremely important work in the Home Office, not least in setting up and reorganising the structure of government to ensure that, in the Office for Security and Counter-Terrorism, we have a strong strategic lead for taking this work forward across government, and his work in highlighting the evolving nature of the threat and the requirement for us to evolve how we dealt with it. I agree with him that while we depend on those in the police, the security and intelligence agencies and the armed forces to tackle terrorism, it is not enough to expect that they will enable us to mitigate that threat. Each of us has a role, and it is in recognition of that that we have—unprecedentedly, I think—made all these 170-plus pages unclassified and available to the public. It is why we have also ensured that we have a more digestible version that the public can read too. He rightly says that it is when everybody understands not that there is a lot to fear, but that there is a lot to be gained by being vigilant and by having a role to play in helping to counter terror, that we will truly be safer and more confident in this country about our security.

David Davis (Haltemprice and Howden) (Con): May I say to the Home Secretary that a tragic reminder of the less than competent implementation of the strategy is the fact that she was unable to answer the question put by my hon. Friend the Member for Newark (Patrick Mercer)?

To come back to the strategic issue, one of the most fundamental aspects of Contest is the Prevent strand—preventing a large number of young Muslims from becoming radicalised. Her own heads of MI5 successively have told us that there has been a massive 25 per cent. year-on-year increase in the number of those young Muslims. That demonstrates a failure of the Prevent strand, and it is made worse by the fact that her Government attempt, time and again, to implement excessively authoritarian measures such as 42 days, 90 days and so on. What is she going to do to make this strand work?

Jacqui Smith: I have to say that I do not recognise the right hon. Gentleman's comment that there has been a 25 per cent. year-on-year increase. In fact, it is this Government who, over the past few years, have put a particular focus on the action, resources and partnerships that we have built up in order to prevent violent extremism not just in the communities, but more widely. He does not choose to listen, so I shall end my reply there.

Dr. Gavin Strang (Edinburgh, East) (Lab): Many of us remember the Omagh bombing and some of us in this place remember Airey Neave. Surely the whole House must agree with my right hon. Friend that there are major differences between the past challenge of the Provisional IRA and the situation we face now. Not only is it international—that makes a crucial difference—but we know the scale of the threat following the attacks on the twin towers and the London underground transport system. Does she agree that one of the important things to recognise in her whole approach is the distinction between the short term, when we have to both disrupt these groups, many of which follow the leadership of al-Qaeda, and convict the people who are found guilty, and the medium to long term, when we have to win the hearts and minds for a society where we have freedom and justice for all?

Jacqui Smith: My right hon. Friend is exactly right; that is the reason why all four Ps that I have outlined today are fundamentally important and why, in the short term, we do need to take action to disrupt terrorist plots and to bring terrorists to justice. It is also why we have focused considerable effort and funding on the second P—Prevent—and why the way in which we prevent people from becoming violent extremists and from supporting terrorism, both in this country and abroad, will be the defining factor in whether we can help to reduce the risk in the longer term.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): In the Home Secretary's Prevent strategy, on page 84 of the document, she rightly says:

"Building community cohesion is about creating strong and positive relationships between people of different backgrounds, including those...from different faith communities."

Given that statement, does she recognise the potential for inconsistency in allowing schools, through religious discrimination, to segregate communities further, meaning that white-only schools can stay white-only by refusing admission to Muslims and Asian schools can remain Asian-only by excluding applications from non-Muslims? Will she pause to reconsider the policy of allowing that sort of segregation to get worse?

Jacqui Smith: I have had experience in my previous jobs of the admissions criteria for schools, and I absolutely do not recognise the ability of schools to operate the sorts of admission criteria that the hon. Gentleman has just outlined.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I welcome the Home Secretary's statement, but can she assure me that it will prevent a repetition of the situation where Daud Abdullah, the deputy president of the Muslim Council of Britain, was able to advise Ministers on social cohesion while he was, as he remains, a promoter of violent jihad?

Jacqui Smith: Certainly, we condemn not only the comments, but the statements supported by Daud Abdullah. That is why my right hon. Friend the Secretary of State for Communities and Local Government is in ongoing dialogue with the MCB about his role and the response to those particular circumstances.

Mr. Bernard Jenkin (North Essex) (Con): I welcome the Home Secretary's statement, but while her responsibilities are inevitably focused primarily on her own Department, may I commend the cross-governmental approach that the document adopts? Does she share my

[Mr. Bernard Jenkin]

concern that the pages on Pakistan and Afghanistan suggest that it is hardly possible to say that the Prevent strategy is working in those countries? In fact, what we have done in Afghanistan seems to have fed the forces of radicalisation rather than defeated them. What discussions is she having with her counterparts in the Foreign Office and the Ministry of Defence on revisiting the Afghan strategy to ensure that we start to provide a more stabilising influence in that part of the world and to devote a fairer proportion of our resources to Pakistan rather than just to military effort in Afghanistan?

Jacqui Smith: Of course, military effort is part of the approach that we need to take to making the world safer and ensuring that those states that have in the past undoubtedly been the basis of a terrorist threat are tackled, but so are diplomatic effort and international aid effort. In all those areas, we are working closely with the Government of Pakistan and other international partners—for example, the US—on setting clear objectives, especially with respect to Pakistan and Afghanistan, and on how we can carry those out with the widest range of international partners.

Derek Twigg (Halton) (Lab): I have not been approached by my constituents saying that too many powers have been given to the police and security services. My constituents are interested in the fact that Islamic fundamentalists are appearing to get away with saying some extreme things about terrorism and the murder of British service personnel. That is what my real concern is, and will my right hon. Friend take some strong action on that? Clearly, the hearts and minds campaign is very important, but work on it should be based on some fundamental truths, including that the biggest killer of Muslims in Iraq, Afghanistan and Pakistan is al-Qaeda and the Taliban.

Jacqui Smith: My hon. Friend is absolutely right. That is why the vast majority of Muslims in this country condemn completely the actions of terrorists and want to join others in the community to promote the shared values that we spell out in this document and to work against those who want to promote violent extremism.

Mr. Paul Goodman (Wycombe) (Con): It has been confirmed in the past week that the Department for Communities and Local Government is only now compiling a central list of exactly where the £12 million of preventing violent extremism money has gone this year. That makes it very hard to see what due diligence has been exercised. Can the Home Secretary give the House an unequivocal guarantee that none of that money has gone astray, and that none of the £386 million spent overseas on preventing extremism projects has gone astray either?

Jacqui Smith: I really do not think that that money has gone astray. My right hon. Friend the Secretary of State for Communities and Local Government has already said that she will provide a report on that money at the end of this financial year. The domestic funding is going to groups from which we will expect evidence of the impact of the projects they are running. We have asked Her Majesty's inspectorate of constabulary and the Audit Commission to evaluate the work, and their report has been published. As for the overseas work, my colleagues in the Foreign Office and the Department for International Development track such work carefully to ensure that its impact is felt and seen, and that, internationally and domestically, it means we are safer.

Mr. Adam Ingram (East Kilbride, Strathaven and Lesmahagow) (Lab): I welcome this new strategy and I pay tribute to my right hon. Friend's staff and others across Whitehall who put so much effort into delivering this important document. Will she comment on the importance of capacity building in failed and weak states, especially in the policing and judicial processes? What plans do the Government have to build a truly comprehensive programme to deliver in those areas?

Jacqui Smith: My right hon. Friend is right. We have identified that failed states and countries where there is unresolved conflict provide strategic sources of support for the terrorist threat. That means that we need to take a broader approach to our support for those states, which would include providing support for law enforcement and law and order. Our wide-ranging support programme is provided through the Department for International Development and directly by police forces in this country, and it goes to places such as Afghanistan and elsewhere. It is an important element of ensuring that that strategic problem is tackled in the overall attempt to reduce the risk from terrorism.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): The Home Secretary will be aware that, every so often, protests and marches are held at which people use language, both orally and on placards, that many would regard as inflammatory. The police do not seem to take any action, despite the popular belief that various laws have been broken. Not surprisingly, there is a perception that some people can get away with breaking the law, whereas the majority of the public would be prosecuted for committing the same breaches. Will the right hon. Lady kindly assure the House that no one is above the law and that, when it comes to this issue, anyone who breaches the law will be prosecuted?

Jacqui Smith: Yes, I can give the hon. Gentleman that commitment. That was why we changed the law to ensure that the glorification of terrorism was a criminal offence. People have been prosecuted for precisely the sort of activity that he outlined. Our argument is that we should use the law for people who overstep it, but that even when they do not overstep that line, the Government, Parliament and the community more widely should nevertheless provide a strong challenge. That is something that I hope and expect to see.

Kate Hoey (Vauxhall) (Lab): Will the Home Secretary give the House an assurance that all measures to combat international terrorism will treat every British citizen in the UK in the same way? That is especially important for people in Northern Ireland. Will she assure the House that she will not require Northern Ireland citizens to have a passport to come over to mainland Britain, just because there is an open border between the Republic of Ireland and Northern Ireland?

Jacqui Smith: My hon. Friend knows that the work that we are taking forward on the common travel area is the subject of discussion as part of the Borders, Citizens

and Immigration Bill. The matter has been the subject of in-depth discussion in the House of Lords, where some of the assurances that she seeks have been given already. This is an important matter: we need to safeguard the rights of UK citizens in the way that she outlined, but we must also put in place sensible provisions to mitigate the risks arising from the open borders and the forms of travel within the common travel area. We will do that in a way that I hope balances both requirements, and that is the subject of discussion at the moment as the legislation proceeds through the House.

Mr. Stewart Jackson (Peterborough) (Con): Why does section 9 of the document propagate the fiction that the Government are tackling internet-based extremism, when an answer to my hon. Friend the Member for Newark (Patrick Mercer) of 24 February confirmed that the Government have not closed down a single internet site under section 3 of the Terrorism Act 2006? Is that incompetence or complacency, or a combination of both?

Jacqui Smith: The answer is that sometimes, as police officers have outlined, the ability to threaten the use of section 3 has been sufficient to achieve those objectives. That has been what has happened.

Fiona Mactaggart (Slough) (Lab): I should like to add my thanks to another group of people who have helped to keep us safe—the moderate voices in the Muslim community who stand up to those who would preach violent extremism. I had the opportunity this summer to meet a visiting imam from South Africa, who seemed to be exactly one of those moderate voices. He recently applied to be a permanent imam in a mosque in Slough but has been refused, for reasons that I think are spurious. Will my right hon. Friend make sure that the policy adopted by her Department works in practice as well as on paper?

Jacqui Smith: My hon. Friend is absolutely right. There are many brave and important voices in the Muslim community speaking up for precisely the values that she outlined. I was not sure whether she was referring to an immigration decision that had been made—

Fiona Mactaggart *indicated assent.*

Jacqui Smith: I will certainly undertake to review that particular case, given the circumstances that my hon. Friend outlined.

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is almost six years to the day since the invasion of Iraq. I am sorry that the Home Secretary does not feel that the report should be accurate enough to recognise the mistakes that have been made because of that intervention. I quote from page 23, which says that

"in 2003, radical Islamist groups emerged in and travelled to Iraq to take part in what they regarded as a new jihad".

Further down the page, it says:

"After 2003 Iraq was used as a base for terrorist attacks".

Does she not recognise that our going there with a military campaign left a power vacuum, which allowed al-Qaeda—the very terrorist group that she spoke about—into Iraq, and allowed it to operate from that country? Will she not put her hand up and say, "Mistakes have been made, and lessons must be learned"? If there is any reason why there should be an inquiry into the war in Iraq, this is it, because exactly the same mistakes are now being made in Afghanistan.

Jacqui Smith: I am glad that the hon. Gentleman is looking in detail at the nature of the developing threat that we have spelled out in the Contest strategy. I do not wholly agree with his analysis—

Mr. Ellwood: Al-Qaeda was never there before the invasion.

Mr. Speaker: Order.

Jacqui Smith: Well, of course the threat from al-Qaeda pre-dated the military action taken in Iraq. The hon. Gentleman shakes his head; it is a fact that the threat from al-Qaeda in the world pre-dated the action taken in Iraq and Afghanistan, and I would be very surprised if he did not understand that.

Mr. Andrew Dismore (Hendon) (Lab): May I welcome my right hon. Friend's commitment to operating within the framework of human rights, which of course imposes positive obligations on the state to protect us from the consequences of terrorism? May I also particularly welcome her commitment to complete opposition to the use of torture? Does she agree that we have to make sure that our agents overseas, who are operating in one or two dubious countries, such as Pakistan, are properly trained, and are under proper instruction to make sure that they do nothing that could in any way, shape or form be seen as making them complicit in the use of torture?

Jacqui Smith: I agree with my hon. Friend, which is precisely why my right hon. Friend the Prime Minister last week made it clear that we will publish, after a review by the Intelligence and Security Committee, the guidelines of the codes under which intelligence officers and armed forces question and deal with detainees overseas, to make it clear that the sort of provisions that my hon. Friend is talking about are in place. Furthermore, we will ask for that to be reviewed annually by Sir Peter Gibson, the intelligence services commissioner, and reported to the Prime Minister.

Kerry McCarthy (Bristol, East) (Lab): On Saturday, along with my hon. Friend the Member for Kingswood (Roger Berry), I took part in a discussion with members of the Youth Parliament about the Government's Prevent agenda. The young people expressed real concern, not so much about the powers that the police have been given to tackle terrorism, but about the somewhat arbitrary and over-zealous way in which some police officers use the powers. What reassurance can she give me that sufficient guidance has been given to the police to ensure that they use the powers only when they are engaged in serious investigation of terrorist offences, and not more widely?

Jacqui Smith: Guidance is given. There is both a legal basis for the power, and guidance is given to police officers about how the powers are to be used. My hon. Friend's point identifies the need for the police to engage

[Jacqui Smith]

with communities, as happens effectively in many areas, to make sure that everybody can understand the nature of the powers, the nature of the threat, and what is, and is not, appropriate. That discussion should be had with the sort of young people with whom, I am pleased to hear, my hon. Friend and colleagues were engaging last week.

Points of Order

4.28 pm

Mr. Crispin Blunt (Reigate) (Con): On a point of order, Mr. Speaker. You will have heard the point that my hon. the Member for Epsom and Ewell (Chris Grayling) made about the handling of the "Pursue, Prevent, Protect, Prepare" document at the beginning of his questions to the Home Secretary, and the points made by the hon. Member for Eastleigh (Chris Huhne). I want to commend a young researcher of mine, Ruth Davis, who examined the larger version of the Order Paper and noted, in the Votes and Proceedings, that the paper had been laid before the House yesterday.

I attempted to get a copy from the Vote Office after 10 o'clock. The Clerk in the Vote Office informed my research assistant that a copy would not be available until the statement was made at 3.30 pm today, as the Vote Office had been told to release on instruction. An hour later, I returned to the Vote Office in Portcullis House, and copies were then available. I understood from later inquiries that the fact that the document had appeared in the Order Paper meant that it had been laid in the Journal Office yesterday, but only one copy was available there for Members, in the unlikely event that they were aware that it was there. There was no mechanism to make Members aware that the document was available in the House yesterday. The whole exercise is plainly unsatisfactory. Can it be improved?

Mr. Speaker: I always want to make sure that hon. Members—Front-Bench and, of course, Back-Benchers—get information as soon as that information is published. I ask the hon. Gentleman to allow me to look into the matter and get back to him. That is the best thing I can do.

Mr. William Cash (Stone) (Con): On a point of order, Mr. Speaker. I have tabled a number of named day questions to the Secretary of State for Health, which were supposed to be replied to today. They are highly relevant to the tragedy of the Mid Staffordshire NHS Foundation Trust, in particular on the question of a public inquiry and on protecting whistleblowers, which the Secretary of State said should be done. In the circumstances, may I please ask you to insist that my named day questions are answered today?

Mr. Speaker: This is a matter for the appropriate Minister, who will have heard what the hon. Gentleman said. I have no doubt that the hon. Gentleman, like his colleagues in the Staffordshire area, will pursue the matter in every way possible, and I will seek to help where I can. He has put the problem on the record.

David Davis (Haltemprice and Howden) (Con): On a point of order, Mr. Speaker. Can you give the House guidance? Is it in order for the Secretary of State to deny the existence of information on the growth of the terrorist threat, when that information is published by her subordinate, the head of MI5?

Mr. Speaker: This is a debating point. It is a matter that would be best put to the Home Secretary.

Pension Credit and Personal Expense Allowance (Duty of Consultation and Review)

Motion for leave to introduce a Bill (Standing Order No. 23)

4.32 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): I beg to move,

That leave be given to bring in a Bill to make provision for the periodic review of the capital limits and tariff income rules and the personal expense allowance; to make provision for consultations on the level of those allowances and rules; and for connected purposes.

The Bill I wish to introduce seeks to tackle two injustices. The first concerns the penalty that over 500,000 thrifty pensioners face as a result of benefit rules which, in effect, assume that they are earning 8 per cent. interest on their savings. The second concerns 250,000 frail pensioners in care homes who are reliant on state support and are left with just £21.15 a week to cover their personal living costs.

Under existing benefit rules—the so-called tariff income rules—pensioners with savings over £6,000 who qualify for pension credit are assumed to be earning anything up to 8 per cent. interest on their savings. Whenever I talk about this matter with pensioner and other groups in my constituency, there is one of two reactions—derisive laughter or disbelief turning to outrage, often followed by the question, "Which bank gives that much interest on savings? I want to move my savings there straight away."

A rate of 8 per cent. is significantly higher than any savings or investment account currently available, and it has not changed, up or down, since 2003. Benefit entitlement is calculated on an assumed rate of return that pensioners receive from their savings. Any savings below £6,000 are disregarded, but for every £500 above that, a saver is assumed to earn £1 per week from their investment.

My Bill would place a duty on the Secretary of State for Work and Pensions to review the tariff income rules and the level of capital. By placing a duty on the Secretary of State to consult widely about the rules and limits, I hope the Bill will force the Government to address the growing anomaly which discriminates against thrifty pensioners. I would go further, but that is as far as the rules of the House allow me in a ten-minute Bill.

The Government argue that the tariff income rules do not represent a rate of return for investing capital, but are there to

"provide a simple method of calculating the weekly contribution that people with capital in excess of £6,000 (or £10,000 if in a care home) are expected to make from those resources".

However, the rules imply that pensioners with savings over £6,000 are receiving up to 8 per cent. interest. Back in the real world, where, for example, an individual savings account provided by the Government-backed National Savings and Investments currently offers only 1.62 to 2.16 per cent., that notion bears no scrutiny whatever. More than 500,000 pensioners are having their income overestimated, and are missing out on pension credit and other benefits to which they should be entitled.

The Government calculate, for example, that a pensioner with savings of £16,000 earns £1,080 per annum in interest. In the real world of, for example, National Savings and Investments ISAs, such savings would generate £259 to £345 a year. The Government's assumption that such an interest rate is unrealistic is costing such pensioners at least £734 per year. As real interest rates fall, hard-pressed pensioners are being forced to run their savings down at ever faster rates. That is unfair and needs to be changed.

As for the second injustice, the personal expenses allowance is the only source of income for care home residents whose care is funded by the local authority. At the moment, 250,000 residents receive that support. Means-testing rules require those entering care homes with savings of less than £22,250 to surrender to the state their income, including their state pension and assets to cover the cost of their care. The personal expenses allowance is the amount that residents are allowed to keep for personal expenditure each week, and it currently stands at £21.15—about £3 a day. That amount is the only source of income for local authority-funded care home residents and is intended to pay for toiletries, clothes, gifts for family and friends, travel, hobbies, hairdressing and other leisure activities. Some have had to use that money to pay for health services such as chiropody and physiotherapy. In some cases, the personal expenses allowance is being called on to top up the fees that people pay in care homes. The personal expenses allowance is due to rise this April by 75p a week.

The case for reform and an increase is compelling. It has the support of many older people's charities, as it is vital to ensure the dignity and self-respect of residents and to give them a certain amount of independence. Age Concern, Help the Aged and the Joseph Rowntree Foundation have all published reports demonstrating that the personal expenses allowance is crucial to the dignity of older people and must therefore be raised, as many elderly people live in poverty or their relatives supplement their allowances from their own incomes.

The Joseph Rowntree Foundation conducted research among pensioners and concluded that the minimum such amount needed by a single pensioner to maintain an acceptable standard of living is £42 per week. The Royal British Legion, in its Return to Rationing campaign, also calls for a higher personal expenses allowance. In 2005, the Work and Pensions Committee stated:

"The Committee remains concerned at the low level of the Personal Expenses Allowance and repeats the recommendation of the Social Security Committee that the Government should 'conduct research to establish the amount necessary to enable pensioners in institutional care to live their lives with dignity.'"

Three years later, the then care services Minister, the hon. Member for Bury, South (Mr. Lewis), twice gave an undertaking to Parliament that a public consultation would be carried out that included the rate of the personal expenses allowance.

However, the current care services Minister, the hon. Member for Corby (Phil Hope), who is sitting on the Front Bench, issued a written statement in January 2009 in which he refused to initiate a consultation on the level of the personal expenses allowance. How does that square with the Department of Health's Dignity in Care campaign launched in November 2006, the stated aim of which is to ensure that older people are shown dignity and respect at all stages of their care? In that campaign, one of the Department's dignity tests is

"to enable people to maintain the maximum possible level of independence, choice and control."

[Mr. Paul Burstow]

The low level of the personal expenses allowance compromises the quality of life and dignity of older people by restricting their ability to meet their essential physical and social well-being needs. An amount of £21.15 is simply not enough.

My Bill would place a duty on the Secretary of State for Health to undertake an annual review of the level of the personal expenses allowance, including public consultation, so that it can be increased to a level that guarantees a decent, minimum standard of living. Thrifty and frail pensioners in this country deserve a better deal than they are getting on such matters from this Government. I commend the Bill to the House.

Question put and agreed to.

Ordered,

That Mr. Paul Burstow, Steve Webb, Sandra Gidley, Tom Brake, Susan Kramer and Greg Mulholland present the Bill.

Mr. Paul Burstow accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 12 June, and to be printed (Bill 80).

Coroners and Justice Bill

[2ND ALLOCATED DAY]

[Relevant Documents: The Second Report from the Justice Committee, Session 2008-09, The Coroners and Justice Bill, HC 185, and the Government's response, HC 322, and the Eighth Report from the Joint Committee on Human Rights, Session 2008-09, Legislative Scrutiny: Coroners and Justice Bill, HC 362.]

Further consideration of Bill, as amended in the Public Bill Committee.

New Clause 11

GUIDANCE ON OFFENCES THAT INVOLVE HATRED ON GROUNDS OF SEXUAL ORIENTATION

'(1) The Director of Public Prosecutions, in consultation with the Attorney General, must issue guidance to prosecutors explaining the operation of the offences under Part 3A of the Public Order Act 1986 (c. 64) that involve hatred on the grounds of sexual orientation.

(2) Chief constables must ensure that the contents of the guidance to prosecutors issued under subsection (1) are made known, in an appropriate form, to officers in their force.

(3) When considering whether to consent to a prosecution for an offence falling within subsection (1), the Attorney General must have particular regard to—

(a) guidance issued under subsection (1), and

(b) the importance of the rights to freedom of expression, freedom of thought, conscience and religion, respect for private and family life and freedom of assembly and association provided by the European Convention on Human Rights.'.—*(David Howarth.)*

Brought up, and read the First time.

4.41 pm

David Howarth (Cambridge) (LD): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss the following:

New clause 37—*Incitement to hatred on grounds of sexual orientation: association with child sex offences*

'(1) The Public Order Act 1986 is amended as follows.

(2) After subsection 29B (1) insert—

"(1A) "Threatening" in subsection (1) extends to words, behaviour or written material which asserts or implies an association between sexual orientation and a propensity to commit child sex offences under Part 1 of the Sexual Offences Act 2003 (c. 42).".'.

Amendment 1, in page 34, line 5, leave out Clause 58.

David Howarth: We now come to a short debate about the aspects of the Bill involving homophobic hatred. The offence of using threatening words or behaviour with intent to stir up hatred on grounds of sexual orientation was created by the Criminal Justice and Immigration Act 2008. Anyone who knows anything about the lives of gay people in this country knows why the provision was necessary and important.

Homophobic bullying and intimidation are distressingly common occurrences. Recent research shows that one in eight lesbian or gay people have experienced hate crime in the past three years. The problem is not only distressingly common but can have lasting deleterious effects on the lives and well-being of the victims. I hope

that no one in this debate will question the need for the provision; if they do, I hope that they will be honest enough to say so openly.

This debate focuses on a particular aspect of the 2008 Act. Some religious groups have said they are afraid that the new law will catch them because their religion strongly disapproves of homosexuality, and their representatives or preachers want to continue to say so publicly. It is important, however, to stress what the 2008 Act says and what the new crime is. The Act says:

"A person who uses threatening words or behaviour, or displays written material which is threatening, is guilty of an offence if he intends thereby to stir up hatred on the grounds of sexual orientation."

That means that the words have to be both threatening and intended to stir up hatred. It is not enough for the words to be insulting or offensive; they have to threaten. Nor is it enough that the words may have the effect of stirring up hatred; they have to be specifically intended to do so.

The crime is difficult to prove at the best of times. If a charge was brought against a saintly religious leader whose intention was to save souls, I cannot see how anyone might think that that offence had been committed.

Miss Ann Widdecombe (Maidstone and The Weald) (Con): Will the hon. Gentleman give way?

David Howarth: This is a very short debate. Usually I give way freely but, if hon. Members will forgive me, I will not be able to do so with the same freedom in this debate.

The problem is not what the law says, but the fact that some rather odd investigations have been started—not under the provisions that I have mentioned, which are not yet in force, but under different ones. That has given rise to a great deal of anxiety and I am sure that we will hear about the cases in the course of the debate. However, it is important to realise that those cases are brought under entirely different provisions. It is right to say that people should not have to suffer unreasonable and unfounded investigation.

Mr. Dominic Grieve (Beaconsfield) (Con): Cases in which people have been exposed to this sort of intrusive investigation, even though no prosecutions have been brought, have been those where the existing laws have been stretched even further to warrant the police coming and knocking on their doors. Should not the hon. Gentleman bear that in mind when considering whether this legislation, which is very specific, may be a mistaken encouragement to others in authority to do likewise?

4.45 pm

David Howarth: That is why it is very important that we have specific legislation to give guidance to the authorities about how they implement the new laws. The offence that is usually referred to, as in the cases of Miguel Hayworth and Stephen Green, concerns section 5 of the Public Order Act 1986, whereby it is a crime to use threatening, abusive or insulting words or behaviour within the hearing or sight of a person likely to be caused harassment, alarm or distress thereby. In my view, that provision is in itself a violation of freedom of speech. It seems to allow prosecution merely for insults, and for insults that are merely likely to cause distress but have not necessarily done so.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): And were not intentional.

David Howarth: And without intention, as my hon. Friend says. That is why yesterday I would have supported his amendment, which we never reached, to remove the word "insulting" from that provision. That answers the point made by the hon. and learned Member for Beaconsfield (Mr. Grieve).

The provisions regarding hatred on the grounds of sexual orientation are not the same—insult is not enough; likelihood of distress is not enough—but some people are anxious about the possibility that the police and the Crown Prosecution Service will not recognise the difference. I accept that that anxiety exists and that we should do something about it—the question is what. There are two proposals on the table.

The first is to do what the 1986 Act already says following the so-called Waddington amendment, which went through after extensive ping-pong between this House and the other place last year, when the Government eventually gave way. I thought they were wrong to do so, and divided the House right at the end of that process. They did it because they were up against a deadline on another provision in the Bill about industrial action in prisons. However, they made it clear that they were with me in spirit, if not in the Lobby.

The Waddington amendment is sometimes called the free speech amendment, but it completely fails to mention freedom of expression. It says:

"For the avoidance of doubt, the discussion or criticism of sexual conduct or practices or the urging of persons to refrain from or modify such conduct or practices shall not be taken of itself to be threatening or intended to stir up hatred."

There are many problems with the Waddington amendment. First, it is not aimed at the problem that it is supposed to solve. The problem lies not in the content of the law—a point that it seems to admit itself by using the phrase,

"For the avoidance of doubt"—

but in a possible mistaken interpretation of the law by the police and the CPS. If the police pay no attention to the wording of the offence itself, why should we believe that they will pay attention to the wording of the Waddington amendment? Secondly—this is the most important criticism—it either achieves nothing at all or is attempting to do something that we should oppose. If it really is

"For the avoidance of doubt",

it adds nothing to the law at all, but if it is read in a different way, as a "deeming" provision, it is entirely unacceptable.

A "deeming" provision is a statutory section that tells courts to ignore reality but to treat one thing as another. Last year, we passed about 85 "deeming" provisions. In the Energy Act 2008, for example, we deemed a place where uranium was enriched to be premises owned or used for the purposes of the Crown, so that the Official Secrets Act would apply even when the place was owned by someone else. It is very common for us to do this. The difficulty with the Waddington amendment is that it can be read as deeming discussion of sexual conduct and so on not to be threatening or intended to stir up hatred even when the words actually were threatening and were intended to stir up hatred. That is particularly

[David Howarth]

worrying in the case of urging persons to modify such conduct, which is what the amendment refers to. Such urging could certainly be done in a threatening way and with the necessary intent. There is a danger that the Waddington amendment could be read in a deeming manner so that a person doing such urging in a threatening way, with intent, would not count as having done so.

Proponents of the Waddington amendment put a lot of weight on the phrase "of itself", but that phrase has at least two possible meanings. It could mean—this is the hopeful interpretation—something like, "But if the way this was done indicates threats or intentions, the provision does not apply." "Taken of itself" might mean that, but it could mean something rather different, such as, "Ask only whether the acts complained of are within this provision, and ignore the context." That would mean that "of itself" was an excluding phrase, rather than an including one. The latter interpretation would fit closely with the interpretation of the Waddington amendment as a deeming provision, which is a grave danger. That is why the Government are absolutely right to propose removing the Waddington amendment from the legislation. It is either useless or dangerous. I do not, however, think that the Government are right to offer nothing in its place, which is where new clause 11 comes in.

New clause 11 would meet head-on the problem of mistaken interpretations that lead to fruitless and distressing investigations. It would do so by requiring the Director of Public Prosecutions to issue guidance to prosecutors on the meaning of the offence, and crucially, it would require chief constables to make the content—or for those Members who were here yesterday, the gist—of that guidance known to police officers. New clause 11 would also introduce a real free speech element by requiring the Attorney-General, whose consent is necessary for any prosecutions to go ahead, to have regard to all the relevant rights and freedoms in the Human Rights Act before giving that permission.

Mr. Gerald Howarth (Aldershot) (Con): The hon. Gentleman is placing enormous reliance on guidance to be issued by the authorities—the Crown Prosecution Service or the police. I have an extract from the guidance on prosecuting cases of homophobic and transphobic crime, issued by the Crown Prosecution Service in November 2007. It describes homophobia and transphobia as

"terms used to describe a dislike of LGBT people or aspects of their perceived lifestyle. In other words, homophobia and transphobia are not restricted to a dislike of individuals; the dislike can be based on any sexual act or characteristic that the person associates with an LGBT person, whether or not any specific LGBT person does that act or has that characteristic. That dislike does not have to be as severe as hatred. It is enough that people do something or abstain from doing something because they do not like LGBT people."

Surely that is hugely wide-ranging. Parliament has no say in this matter, and we could be faced with a situation where such an interpretation means that anyone who expresses a dislike of this kind of behaviour would be caught by the CPS under its interpretation of the law.

David Howarth: But that guidance has nothing to do with this aspect of the Bill because it has not yet been brought into force. I am proposing guidance specifically about that aspect; the word "homophobia" does not exist in the provisions we are talking about. Furthermore, the guidance would have to be issued after consultation with the Attorney-General. That means that there will be accountability to this House over what that guidance says, through the Attorney-General or the Solicitor-General.

The effect of the second part of the new clause would be that the Attorney-General would also have to have regard to all rights of freedom of expression before a prosecution was brought. That would feed back through the system and create at least some hope of a judicial review of a decision to go ahead with a prosecution, which there would not normally be. New clause 11 is far more focused on the real problem than the Government's provisions and would help in a much less dangerous way, but it is capable of meeting genuine anxieties that have arisen in religious communities. It is necessary to do something of this nature rather than, as the Government suggest, do nothing at all.

Dr. Evan Harris: May I bring my hon. Friend back to the fact that there are complaints, which I recognise as genuine, about misguided police investigations and the questioning of individuals who express an honest view? Although I disagree with that view, I absolutely accept their right to express it. Would not a combination of the production of guidance and reform of section 5 of the Public Order Act 1986 to remove the word "insulting" not only deal with worries about clause 58 but solve those problems?

David Howarth: I am very glad that my hon. Friend has brought me back to his proposal to remove the word "insulting" from section 5 of the 1986 Act, because that would be a very important reform and I hope that the Government will take it up at some point.

Finally, I wish to speak to new clause 37, which is in my name and that of my hon. Friend. It is an attempt to ensure that a particularly despicable form of homophobic intimidation comes within the meaning of "threatening" in the Act. That is the disgusting technique employed by certain political groups including the British National party, alleging that gay people have a propensity to be paedophiles and commit offences against children. That particular form of intimidation is not just unpleasant but literally life-threatening. I therefore hope that the Government will accept new clause 37 as well as new clause 11.

David Taylor (North-West Leicestershire) (Lab/Co-op): I hope later formally to press amendment 1 and to have the opportunity to vote on it. It has been signed by 14 other hon. Members of all parties.

We have heard from the hon. Member for Cambridge (David Howarth) about new clause 11, and it is gratifying that Liberal Democrat Front Benchers recognise that there is a need for some reassurance about free speech on the statute book. Sadly, I do not feel that the new clause would work, and I shall say why later if I have time. Having heard the hon. Gentleman's explanation, I still do not understand why they oppose so vehemently the inclusion of a simple free speech clause, which is much more likely to be read and followed by police and prosecutors than page after page of guidance. Either the Liberal Democrats are serious about protecting free speech or they are not, and I cannot understand why

they played such an important role in securing a free speech clause in the case of the religious hatred offence, but oppose a much narrower free speech clause in the case of the homophobic offence.

The so-called Waddington free speech clause has now been law for 10 months, although by a quirk of how this place works the incitement law itself has not yet come into effect. If the offence had been in operation, and there was evidence that the free speech clause was being abused in the unacceptable way that the Government and the Liberal Democrats claim it could be, their case would be significantly stronger. However, I do not think that anybody really believes that such abuses are possible.

The wording of the free speech clause simply does not lend itself to the drastic and repugnant misuse that is alleged. Even Stonewall, which the Liberal Democrats often cite in evidence, does not appear to think that it does. Its briefing note, which came to all of us, stated that clause 58

"could mean that a very small number of people of extreme views attempt to avoid prosecution".

I am sure that a very small number of people could do that using all sorts of methods, including the Human Rights Act 1998, evidence laws and other provisions that we consider essential to protect civil liberties and that we would never dream of repealing. Stonewall does not say that the freedom of speech provision would prevent convictions, thereby contradicting the Justice Secretary. It does not say that it will prevent prosecutions, but only that a small number of extremists will attempt to use it to get out of a prosecution. I do not think that they would succeed and I suspect that Stonewall does not think that, either. Stonewall has been candid. Its members know that a free speech clause does not seriously undermine their intention for the new offence.

5 pm

Whenever the House legislates, we engage in a balancing act. In the case that we are considering, on one side of the scales, we have freedom of speech, freedom of religion and the pressing need for reassurance about the prevention of potentially widespread abuses of civil liberties. On the other side, according to Stonewall, we have a tiny number of extremists who might point to the free speech clause when they are charged, but almost certainly without success. The organisation does not, therefore, make a strong argument against a free speech clause.

Indeed, Stonewall's director, Ben Summerskill, said in evidence to the Public Bill Committee that considered the Criminal Justice and Immigration Act 2008:

"We would have no difficulties if the provisions as drafted indicated the mindfulness of those who created them for the importance of free speech."—[*Official Report, Criminal Justice and Immigration Public Bill Committee*, 16 October 2007; c. 80, Q179.]

A free speech clause simply indicates Parliament's mindfulness of the importance of free speech.

What does the free speech new clause say? Let us have it again—it is worth hearing. It says that

"for the avoidance of doubt, the discussion or criticism of sexual conduct or practices or the urging of persons to refrain from or modify such conduct or practices shall not be taken of itself"—

whether that has two meanings may emerge in debate—

to be threatening or intended to stir up hatred."

It simply makes it clear that discussion or criticism of sexual conduct is not caught by the homophobia law.

The religious hatred free speech clause, for which the House voted in January 2006, goes much further. It protects

"expressions of antipathy, dislike, ridicule, insult or abuse"

against religion. I do not understand how anyone could support a clause, which allows expressions of antipathy, dislike, ridicule, insult or abuse against religion, but oppose a provision, which allows mere discussion or criticism of sexual conduct. That defeats logic. I do not understand why the Government would insist on repealing only the weaker of the two provisions, when they claim to oppose both.

Dr. Evan Harris: Let me try to explain why there is a difference. The religious saver specifies that abuse and ridicule are not covered by the offence. It is tautological but they are not. The Waddington amendment does not exclude ridicule or abuse, because they are already excluded, but purports, according to one interpretation, to allow the exclusion of intentional threatening incitement as long as it refers only to practice. That is the difference, and the hon. Gentleman must explain whether he understood the comments of my hon. Friend the Member for Cambridge (David Howarth) when he outlined the potential effect of new clause 11.

David Taylor: I shall deal with that at the end of my remarks.

The religious free speech clause deliberately narrows the definition of the offence whereas the homophobic free speech provision does not. It simply clarifies what is already outside the scope of the offence. It is not a defence but a signpost, so that those involved at the early stages of the criminal justice system—police and prosecutors— have it drawn to their attention clearly and simply that certain legitimate activities are outside the definition of the offence. That way, if vexatious complaints are made, the police and prosecutors can simply point to the free speech provision and dismiss the complaint, instead of spending time and taxpayers' money pursuing pointless complaints and trampling on the civil liberties of innocent people in the process.

It is also worth emphasising that the Waddington amendment refers to criticising not sexual orientation, but sexual conduct. I repeat: it does not create a defence. I welcome the support of Liberty—often paid-up members of the Liberal Democrat tendency—for amendment 1. It speculates that clause 58 might possibly remove a defence, but the explanatory notes have got it right. The Ministry of Justice officials who drafted the notes state in paragraph 372:

"The removal of the section will not affect the threshold required for the offence to be made out."

Clearly, if removal of the free speech clause will not affect the threshold of the offence, its inclusion will not affect the threshold, either. We are tinkering. If it is not necessary to change, it is necessary not to change—a favourite phrase of the hon. Member for Buckingham (John Bercow). The explanatory notes are more accurate and fairer than the Justice Secretary was to those who tabled the free speech clause. On Second Reading, the Justice Secretary alleged that those tabling it intended to make a conviction difficult.

[David Taylor]

When Lord Waddington moved the amendment, he said that he wanted to make it plain

"that I did not in Committee, and do not now, seek to weaken the protection that the Government's proposal is designed to give gay people. I have never set out to narrow the scope of the provision. My intention has been absolutely clear: to make clear what both the Government and I agree is outside the scope of the provision."—[*Official Report, House of Lords*, 21 April 2008; Vol. 700, c. 1365.]

I hope that the Secretary of State will accept that it is not our intention to provide help to those who use threatening language intentionally to stir up hatred against anyone. "For the avoidance of doubt" means just that. It does not change anything; it just makes clear what is already there. The Office of Public Sector Information's online statute law database lists 588 legislative uses of the phrase "for the avoidance of doubt"—from the Children Act 1975 to the Crossrail Act 2008—so there is hardly anything unusual about it.

We need free speech about sexual conduct to be put beyond doubt. Joe and Helen Roberts, the Bishop of Chester, Iqbal Sacranie, the Roman Catholic Archbishop of Glasgow, and Lynette Burrows—I could go on—are all names synonymous with vexatious complaints to the police and with heavy-handed police intervention against people whose actions were not inciting hatred against anyone.

Now that the free speech provision is on the statute book, I wonder whether we should not look at things the other way round. Will removing it send the signal that discussion or criticism of sexual conduct is caught by the new offence? The Church of England—my own Church—seems to fear that it might. Its briefing says:

"If it is argued that it is necessary for the effective operation of the law that the amendment should be removed, the implication would be that such discussion or criticism could in itself constitute an offence, and to this we would be strongly opposed."

Mr. Gerald Howarth: Surely the retention of clause 58 would also indicate to the courts that this House does not believe that there is a need to protect freedom of expression in the way that the hon. Gentleman has articulated.

David Taylor: I am sure that that is right, and I strongly endorse what the hon. Gentleman says.

Someone else who has spoken out is the actor Rowan Atkinson, who just a few days ago addressed a Committee Room packed with Members of the House of Lords about the chilling effect of the law. He said that he did not think that he would be prosecuted because of jokes or drama about sexual orientation, but he also said:

"I dread something almost as bad—a culture of censoriousness, a questioning, negative and leaden attitude that is encouraged by legislation of this nature but is considerably and meaningfully alleviated by the free speech clause."

He said that it

"would provide succour and reassurance to those of us in the creative world."

My union, Unison, has sent out a briefing that says that the free speech clause is a "Tory wrecking amendment". Unison is entitled to that view, but I do not think that it is being fair. The majority of the sponsors of my amendment are not Tories—although I welcome support from everyone—and even Stonewall does not believe that it is a wrecking amendment.

Let me turn to new clause 11, because I said that I would explain why it is not up to the job of meaningfully protecting free speech. For a start, it focuses mainly on the decision to prosecute, but we are not concerned about prosecutions at this point. None of the cases that I listed earlier resulted in a prosecution. The liberties of those people were breached not by the Attorney-General authorising a prosecution, but by decisions earlier in the criminal justice process.

David Howarth: I notice that the hon. Gentleman used the qualifying word "mainly". Does he concede that new clause 11 also refers to the guidance going to the police?

David Taylor: There is some merit in that, but it is not a particularly strong point.

New clause 11 reminds the Attorney-General about human rights law, but human rights law applies to the police, prosecutors and the Attorney-General anyway and, to judge from the list of cases that I gave earlier, precious use it has been. New clause 11 also proposes guidance, but that will be issued anyway, without the need for a new clause. New clause 11 does not even say that guidance must deal with free speech; it just says that guidance must deal with

"the operation of the offence".

Presumably that will include pointing out that the religious hatred offences have a free speech clause, whereas the homophobic offence does not.

Experience has shown that guidance is the problem, not the solution. When two six-foot police officers in body armour interrogated pensioners Joe and Helen Roberts for 80 minutes after they had phoned the council to complain about its gay rights policies, the officers were almost certainly acting in accordance with the guidance issued in March 2005 by the Association of Chief Police Officers and the Home Office. The guidance is called "Hate Crime: Delivering a Quality Service" and in paragraph 2.2.6 it tells officers:

"The perception of the victim or any other person is the defining factor in determining a hate incident. The apparent lack of motivation as the cause of an incident is not relevant as it is the perception of the victim or any other person that counts."

So a hate crime is to be treated as a hate crime even if it is not a hate crime—I need to think through that one. Paragraph 2.5.1 says:

"If, as victims of hate crimes or incidents, individuals experience indifference or rejection from the police this in effect victimises them a second time."

I would hate to be a police officer trying to navigate my way through that lot. Some obviously believe that the answer is to come down like a ton of bricks on people about whom complaints of homophobia have been made, regardless of whether they have broken any laws.

I do not believe that we can leave it up to guidance to protect the precious civil liberty of freedom of speech. The existing wording asserted by Parliament less than a year ago provides clarity and reassurance; we must keep it. We must remove clause 58 from the Bill. I hope that we will have the opportunity to vote in a few minutes' time, as I shall press the amendment.

Mr. Dominic Grieve (Beaconsfield) (Con): As this is a short debate, I shall try to keep my remarks as short as possible. The hon. Member for Cambridge (David

Howarth) has raised an important issue, and I think that there is common ground between us that the right to freedom of speech and expression must be protected. It must be protected in terms of how a statute would be interpreted in court, but it also has to be interpreted, to use an expression often used in the past by the hon. Member for Oxford, West and Abingdon (Dr. Harris), against the chilling effect that a statute can have if it is mistakenly applied by those in authority. As the hon. Member for North-West Leicestershire (David Taylor) rightly highlighted, there are, unfortunately, quite a number of examples in which laws—not this law, but others that in many ways stretch even further—have been applied in an oppressive way against perfectly respectable people. We have to keep that in mind when we come to legislate.

The hon. Member for Cambridge says that he considers that the law drafted last year—without Lord Waddington's saving clause—would be sufficient and all right if we simply had guidelines. I have to say to him that I have some anxiety about using guidelines in that way. I accept that guidelines may be of some utility, but the fact of the matter is that if guidelines are disregarded and a legal process against an individual starts to get ratcheted up, there is nothing to stop it until the matter gets into the courts; and by then, as we know, a great deal of damage has been done in many cases to the individuals concerned in terms of stress, their reputation and the anxiety they are placed under—all quite needlessly. It thus seems to me that it would be sensible for the House to consider whether having a saving clause would help.

Now, Lord Waddington, as well as having been a past Home Secretary, and, I believe, a man of moderate views—*[Interruption.]* Yes, a man of moderate views, I suggest to my hon. Friend the Member for Buckingham (John Bercow). Lord Waddington has also been a lawyer. When I listened to the comments of the hon. Member for Cambridge, it prompted me to look again at the saving clause to see whether it contained the mischief of being a deeming provision along the lines that he identified. He has clearly raised a serious issue for the House to consider. I have to say, however, that having looked at the provision and read it over and over again, I do not see that it can have the possible effect that he has suggested. The reason for that is the appearance of the two words "of itself" in its penultimate line which refers to something that

> "shall not be taken of itself to be threatening or intended to stir up hatred".

It seems to me that those words make it absolutely plain that if a person carries out a discussion or criticism of sexual conduct or practices that is accompanied by threatening language, those words "of itself" would immediately take that person outside the scope of the saving clause. I have to say that I just do not agree with the hon. Gentleman's analysis that the saving clause could be used to justify people coming forward and using hateful terminology, language and threats.

The more I listen to that argument, the more I take the view that a saving clause is required, so let me explain briefly to the House why I think this is so important. First, it will provide comfort and reassurance to people that they can continue to express their views. One of the things we are experiencing at the moment in this country is that people of moderate views on any side of an argument are increasingly deterred from expressing their views at all, but those who are full of extreme opinion, whether they be at one end of the spectrum or the other, are not deterred in any way by the law and, in fact, have a free field for themselves. That is not good for the health of our democracy or our civic life. We also need to consider that when Parliament enacts legislation in this way, groups and individuals will undoubtedly attribute to it meanings that Parliament may not have intended.

5.15 pm

I thought it worth looking at Stonewall's briefing, because I have a high regard for Stonewall and its campaign for gay rights. To support its analysis of why the new offence was needed and why it opposed the saving clause, it presented a number of examples. One involved rap lyrics expressing great hatred, such as "Hang lesbians with a long piece of rope". Quite apart from the fact that I would expect that to be caught by existing law, I feel completely comfortable with the idea of enacting legislation of the kind that we passed last summer, which will criminalise it.

Stonewall says that another example of the sort of thing that it would like halted is a website which describes, in referring to homosexuality generally,

> "young people who are being drawn into a lifestyle characterised by disease, degradation, death and denial."

When I was talking recently to my hon. Friend the Member for Rutland and Melton (Alan Duncan), who is a very old friend of mine—we have known each other since university—I said to him that I did not think that his life had been characterised by any of those phenomena. Most people reading the website would consider it to be utterly wacky. I have to say, however, that if it is Stonewall's opinion that such material should be criminalised, the House needs to approach the matter with some caution.

I am afraid that, just as with incitement to religious hatred, messages are sent out from this place that are latched on to by pressure groups wishing to prevent other people from expressing legitimate views, even if those legitimate views are in fact nonsensical. We cannot have a working democracy without the underpinning of freedom of speech, which also requires tolerance of opinions that we may consider to be bonkers or which we may dislike. As long as hatred is not stirred up, which is the mischief that we have been trying to address—as long as the civil order of society is not being undermined—we must tolerate such opinions. Indeed, as politicians, we tolerate them all the time.

For those reasons, let me simply say that I am unpersuaded that Lord Waddington's amendment is in any way mischievous. I believe that it is sensible. As we need some saving clause in an extremely difficult piece of legislation in which the balance that we strike will always pose a problem, I can think of no good reason for us to get rid of it on the basis of the arguments that I have heard this afternoon. I therefore intend to support the retention of Lord Waddington's amendment, and encourage my hon. Friends to do so as well.

Dr. Evan Harris: I respect the hon. and learned Gentleman's position on matters of free speech. He is right to criticise Stonewall's view that that material would be caught. That is not our view, and I do not believe that it is the Government's view. I hope that they will make that clear in due course.

[Dr. Evan Harris]

Does the hon. and learned Gentleman agree that if we are to solve these problems, we must make it clear, in statute and in the minds of the police, that there is no right not to be offended? We need to get rid of the idea of insult, especially unintentional insult—as in section 5 of the Public Order Act 1986—from our statute book, and also to ensure that guidance throughout makes it clear to the police that they cannot take seriously complaints of insult which is not direct abuse. Does the hon. and learned Gentleman agree with that?

Mr. Grieve: Yes. I apologise to the hon. Gentleman for the fact that, in the time allowed, I have not dealt with that point.

The question of insulting behaviour raises an important issue. I am not sure that I can do full justice to it in this short debate, but if the hon. Gentleman wishes to revisit it, I shall be happy to discuss it carefully with him. I can see that there may well be merit in getting rid of an expression that, I think, carries a number of connotations in wider legislation and that may be undesirable. There is, however, an issue that I think we cannot completely avoid. In some cases, insult, particularly if it takes place in a public arena, can reach a point at which it becomes incitement to a breach of the peace. We must guard against that possibility, but subject to that, I am sympathetic to what the hon. Gentleman has said.

For the present, we have quite a simple issue to deal with. We have a piece of legislation, passed on to the statute book last summer, that has not yet been brought into operation and that has not yet been given the chance to see whether it works. I do not see anything in Lord Waddington's amendment to justify its deletion at present. Its support goes much wider than people with a religious viewpoint. It extends across a wide spectrum of those who have deep anxieties about the erosion of freedom of speech, including within the theatrical world, as has been shown by Rowan Atkinson.

For those reasons, although I am mindful of the mischief that we are trying to address and I want the incitement of hatred on the grounds of sexual orientation to be prohibited, I believe the amendment does nothing to prevent that from happening that and does a great deal to ensure that the legislation that we pass is balanced. For those reasons, I support the amendment.

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): The hon. and learned Member for Beaconsfield (Mr. Grieve) and the hon. Member for Oxford, West and Abingdon (Dr. Harris) are right: Stonewall's example in the briefing is wrong about what would be caught by this part of the law.

Amendment 1 deals with freedom of speech, but it is important that we remember that we are also talking about the freedom of gay people to live their lives free from hatred and bigotry. When we debated the offence of stirring up hatred on the basis of sexual orientation last year, we had a long discussion about freedom of expression and were rightly concerned about getting the balance right.

We need to protect groups that are the target of threatening behaviour intended to stir up hatred. We must also ensure that those who have concerns about some types of sexual behaviour are free to express their arguments and concerns in a reasonable way. They do not need to fear that they will be caught by the criminal law. Last year, we had a very lively debate and the Government took the view that no additional provision was needed to ensure freedom of expression. The offence that we are talking about has a very high threshold and a number of safeguards are built into the system to ensure that the offence cannot be used in any way that disrupts the balance between those two concerns.

The Joint Committee on Human Rights, in its report published last week, reaffirmed its view that we have the balance right, as did the Equality and Human Rights Commission at about the same time. Last May, this House agreed, by a very large majority, that we had got the balance right. However, as the hon. Member for Oxford—the hon. Member for Cambridge (David Howarth) rather; I must get my university towns in the right order—pointed out, the other place inserted a measure for the avoidance of doubt. We all agreed with the principle that the offence should not be misused. As I say, those safeguards have already been built into the offence. The additional provision was and still is unnecessary. It serves only to make the offence less clear; it muddies the waters. This House rejected the amendment and I ask it to do so again today.

In last year's debates, the Under-Secretary of State for Justice, my hon. Friend the Member for Liverpool, Garston (Maria Eagle), said that we would return to the issue, so it should come as no surprise to any hon. Member, including those who have put their names to amendment 1, that we are now seeking to repeal the so-called freedom of speech saving provision.

John Bercow (Buckingham) (Con): Does the Minister recall the comment made by the distinguished lawyer, Lord Thomas of Gresford:

> "Freedom of speech is not derived by clauses inserted into every statute for the avoidance of doubt."—[*Official Report, House of Lords*, 21 April 2008; Vol. 700, c. 1373.]

There may be doubt in Lord Waddington's mind, but I do not think that there is doubt more widely. The measure was carried, on a pathetic turnout, by 81 votes to 57, and it is time we got rid of it.

Bridget Prentice: The hon. Gentleman, as always, puts the argument so eloquently that I simply endorse what he says.

It was again evident from the debate that there are strong and divided views about where the correct balance lies. I remind the House, however, that the offence covers only behaviour that is threatening and is intended to stir up hatred. I think all Members will agree that that type of behaviour cannot be acceptable under any circumstances. It should not be protected by freedom of speech, and any provision that implies otherwise should not be on the statute book. That is why I invite the House to reject amendment 1.

David Taylor: Does my hon. Friend agree—I assume she does, as she will have signed off the information given by the Government at the time of this debate—that if the removal of the free speech clause will not affect the threshold of the offence, logically its retention cannot affect the threshold of the offence either, and that the

clause is being used not as a defence but as a signpost to help police and prosecutors deal with allegations more speedily and effectively?

Bridget Prentice: I will come on to the guidance in a moment, but let me just point out a key difference to my hon. Friend. Last May, this House voted on and rejected by a majority of 202 a Lords amendment inserting a saving into the sexual orientation offence. By contrast, in January 2006 we accepted, by only one vote, a Lords amendment inserting a freedom of speech saving into the Racial and Religious Hatred Bill. The saving for the religious hatred offence is the settled will of the House, whereas the saving for the sexual orientation offence is not the will of the House, which is what I ask Members to endorse today.

Mr. Tom Harris (Glasgow, South) (Lab): It seems to be very curious logic to say that because the House voted one way at some point in the past, that somehow binds the House today to vote in exactly the same way. Could not Members change their mind at some point?

Bridget Prentice: Of course the House can change its mind, and we will discover in the Lobby in 20 minutes or so whether the House has changed its mind, but I think that the fact that this was introduced last year for an offence that has not yet been put on the statute book is a pretty persuasive argument for believing that that was the House's view at that time.

We had long debates about the guidance and about what guidance should be issued. There is a clear need for guidance, as there always is when any new offence is introduced. The Ministry of Justice will provide short explanatory guidance about the offence. The Crown Prosecution Service will issue guidance for prosecutors, and the Association of Chief Police Officers will revise its hate crime manual to include guidance on all incitement to hatred offences. All the guidance will be available before the offence comes into force. However, I am quite persuaded by the argument put by the hon. Member for Cambridge, and I would like to reflect on it. Therefore, although I ask him to withdraw new clause 11, I invite him to take up the opportunity of meeting the Director of Public Prosecutions to consider whether it would be appropriate to make the guidance statutory.

I fully understand the motivation behind new clause 37, but I believe that it is unnecessary. Allegations about offences, and specifically about child sex offences, are a very easy and damaging way of stirring up hatred on the grounds of sexual orientation. Such allegations are damaging and distasteful and should be challenged, but we believe that it is not necessary to mention them specifically in the offence. In many instances, allegations linking sexual orientation with child sex offences will be threatening as well as distasteful, and will be caught by the offence. However, when the circumstances mean an allegation is not threatening, it will not be caught, and we think that is right.

Mr. Gerald Howarth: I believe the Minister said in response to the Liberals that she will consult the Attorney-General on prosecuting guidelines. May I invite her to extend her consultation to those of us who feel extremely concerned about these issues, because we fear that the guidance will be as misleading as the CPS guidance to which I referred?

5.30 pm

Bridget Prentice: I have invited the hon. Member for Cambridge, who moved the new clause, to discuss that with the DPP, and I think that that is the appropriate thing for him to do. I do not think that it is necessarily appropriate to extend that to the whole House, but hon. Members can make their views known to the Attorney-General and the DPP as they think fit.

Dr. Evan Harris: On new clause 37, does the Minister agree with us that whenever any linkage of homosexuality with paedophilia is intended to stir up hate it should, by definition, be considered threatening? Is she saying that even if such a linkage is made in the context of a deliberate attempt to incite hatred, rather than, for example, academic discourse, it would not be, in some circumstances, considered threatening and therefore would not be an offence? That is a matter of concern to us, so will she agree to reflect on it a little further?

Bridget Prentice: I have to reject the hon. Gentleman's argument, because the word "threatening", in this context, has to have its normal English meaning. We do not think that it is right to stretch that to include words or behaviour that it would not naturally cover, because it would muddy the waters. I am concerned that if we were to go down the road he suggests in new clause 37, those who make such allegations could shift their grounds to similar but equally damaging allegations—for example, saying that gay people are responsible for HIV/AIDS. Although I understand the concerns that he is trying to address, I do not think that the new clause is the way to address them. I therefore hope that he will not press it to a Division, but will join us in the Lobby to reject amendment 1.

Miss Widdecombe: I support amendment 1, but irrespective of which side of the argument one stands on today, it is regrettable, given the widespread concern about free speech in this country, that we are restricted to one hour in which to discuss the issues. If the Government had respect for the public's worries about free speech, they would have allowed rather longer.

We have heard a great deal, especially from those on the Liberal Democrat Benches, about how arrests, persecutions and inquiries were somehow nothing to do with the law, but were all to do with a misguided application, as though some PC Plod somewhere had decided to knock on the door—

David Howarth *rose—*

Miss Widdecombe: I remind the hon. Gentleman of his reply to me.

In the Lancashire case, a couple were questioned by the police for an hour and 20 minutes. They had asked the local council whether they could distribute Christian literature alongside the council's literature on civil partnerships. There was an outcry, and Lancashire police stood their ground and said it was a proper intervention. The local council also stood its ground and said that it was a proper intervention under the law—not under this Bill—that it was then invoking. It was only when the couple sued—or commenced suing; there was a settlement—that the police and local council decided that they had got it wrong. When that is the attitude of

[Miss Widdecombe]

senior police and authorities, who are responsible for implementing the law that this place passes, we sometimes need very simple, straightforward clarifications that almost hit them on the nose, so that they actually understand what Parliament intends.

Dr. Evan Harris: I agree with the hon. Lady and I would point out that taking the word "insulting" out of section 5 of the Public Order Act 1986, which covers causing harassment, distress and alarm through words or behaviour that are threatening, abusive or insulting, will achieve exactly what she wants. That is the change in the law that she rightly requests, because that is the provision under which the couple were wrongly pursued. It is not a surprise that the police would not give way, because the statute includes the word "insulting". Does she agree that that is the way forward?

Miss Widdecombe: I do not agree that that is the only way forward, because that addresses one law. Today, we have to address this law. The chief constable of North Wales, who can be a little zealous sometimes—that is why I am pleased that he is now in charge of hunting—defended six police officers arresting a man who had used a rather vulgar term for a lesbian to a third party. That is the state that we live in. We do not live in a moderate state that is restrained in its application of the law.

Out there in the country, in case Ministers are completely oblivious to it, there is a swelling unease about freedom of speech. Certain sections of the community believe that they would have to overcome a higher threshold before they would be protected from the sorts of allegations that are frequently made. The religious hatred and sexual orientation laws, and myriad other laws that seek to bring equality, have an oppressive heart. The face may be liberalism, but the heart is oppression. We need amendment 1 to ensure that the Bill contains the clearest possible explanation—hammered home and spelled out—so that there can be no doubt in the mind of anyone responsible for interpreting and implementing the law that the ordinary exercise of free speech is not caught by it.

We have free speech in this House that is not commonly enjoyed by many of the people on whom we pass laws. We enjoy a protected position, but people out there—teachers in faith schools, priests in pulpits, ordinary people expressing a particular opinion—now feel afraid to speak freely. There can be no possible objection to Parliament stressing that free speech is not at risk from this Bill. That is all that amendment 1 seeks to do and I commend it to the House.

Mr. Tom Harris: I am delighted that so many colleagues have taken their places to listen to my short contribution. I am in a very unusual position. I am speaking against the Government for the first time since I became a Member in 2001 and face the prospect of voting against the Government on a three-line Whip, which I have never done before.

In a sermon in 2006, the Roman Catholic archbishop, Mario Conti, restated the Church's long-held policy that homosexual relationships should not be given the same value as married, heterosexual relationships. As it happens, I do not agree with the archbishop. I am glad that my hon. Friend the Deputy Leader of the House of Commons is in his place. He will remember a conversation that we had a couple of years ago, in which he said, "Tom, the only remotely left-wing thing about you is that you quite like poofs."

I have a long history of support for gay rights in this House. It is a matter of some regret that I have to speak against what the Government are trying to do tonight by removing the so-called Waddington amendment. If one speaks to almost any constituent one will realise that there is clearly public concern that a person who voices an opinion that is not considered to be politically correct could end up being questioned by police.

If they are not avidly tuned into the BBC Parliament channel right now, police officers throughout the country will take a keen interest in this debate, the outcome of which will have a major impact on their already massive work loads. If the Government get their way, officers will have every right to roll their eyes heavenward as they resign themselves to having to deal with an increased volume of correspondence from people who interpret every harsh word uttered as a broken bottle thrown.

When Archbishop Conti delivered his speech, a formal complaint was made against him by Patrick Harvie, a Green Member of the Scottish Parliament, who said that the archbishop's restatement of Church policy was an incitement to homophobic hatred. I assume that Glasgow's chief constable, being a sensible chap, can put that complaint into the bin, but we are making sure that police officers will have to deal with more vexatious actions simply because we are eliminating a provision that any member of the public would consider to be eminent common sense.

David Howarth: Given the Government's generous offer, I beg to ask leave to withdraw new clause 11.

Clause, by leave, withdrawn.

5.41 pm

One hour having elapsed since the commencement of proceedings on consideration, the proceedings were interrupted (Programme Order, 23 March).

The Deputy Speaker put forthwith the Question necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

Amendment proposed: 1, in page 34, line 5, leave out Clause 58.—*(David Taylor.)*

Question put, That the amendment be made.

The House proceeded to a Division.

Mr. Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 174, Noes 328.

Division No. 84] **[5.41 pm**

AYES

Afriyie, Adam	Barker, Gregory
Ainsworth, Mr. Peter	Beith, rh Sir Alan
Amess, Mr. David	Bellingham, Mr. Henry
Arbuthnot, rh Mr. James	Benyon, Mr. Richard
Atkinson, Mr. Peter	Binley, Mr. Brian
Bacon, Mr. Richard	Blunt, Mr. Crispin
Baldry, Tony	Bone, Mr. Peter

Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butterfill, Sir John
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Clarke, rh Mr. Kenneth
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Drew, Mr. David
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, rh Mr. Frank
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Grogan, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Mr. Tom
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Howell, John
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Key, Robert
Kilfoyle, Mr. Peter
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Maples, Mr. John
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Pope, Mr. Greg
Prisk, Mr. Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Dr. Richard
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Wright, Dr. Tony
Young, rh Sir George

Tellers for the Ayes:
Geraldine Smith and Bill Wiggin

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Bercow, John
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goldsworthy, Julia
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter

Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Heath, Mr. David
Hemming, John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Oaten, Mr. Mark
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Helen Jones and Helen Goodman

Question accordingly negatived.

New Clause 19

REMOVING IMMUNITY OF GOVERNMENT DEPARTMENTS FROM PROSECUTION

'(1) Section 63 of the Data Protection Act 1998 (application to Crown) is amended as follows.

(2) In subsection (5) for "a government department" substitute "the Crown Estate Commissioners".'.—*(Mr. Bellingham.)*

Brought up, and read the First time.

Mr. Henry Bellingham (North-West Norfolk) (Con): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following:

New clause 38—*Failure by a government department or public authority to comply with an assessment notice*

'(1) If a government department or public authority has failed to comply with an assessment notice the Commissioner may certify in writing to the court that the public authority has failed to comply with that notice.

(2) Where failure to comply is certified under subsection (1), the court may inquire into the matter and, after hearing any witness who may be produced against or on behalf of the government department or the public authority, and after hearing any statement that may be offered in defence, deal with the failure to comply as if it were a contempt of court.'.

Amendment 23, clause 153, page 98, line 20, leave out 'within subsection (2)'.

Amendment 78, page 98, line 24, at end insert—

'(1A) If a data controller has failed to comply with an assessment notice as requires steps to be taken, the Information Commissioner may certify in writing to the court that the government department or public authority has failed to comply with that notice.

(1B) For the purposes of this section, a data controller which, in purported compliance with an information notice—

(a) makes a statement which it knows to be false in a material respect, or

(b) recklessly makes a statement which is false in a material respect,

is to be taken to have failed to comply with the notice.

(1C) Where a failure to comply is certified under subsection (1A), the court may inquire into the matter and, after hearing any witness who may be produced against or on behalf of the public authority, and after hearing any statement that may be offered in defence, deal with the authority as if it had committed a contempt of court.

(1D) In subsections (1A) to (1C), "the court" means the High Court or, in Scotland, the Court of Session.'.

Amendment 24, page 98, leave out lines 25 to 29.

Amendment 133, page 98, line 25, leave out from second 'is' to end of line 29 and insert 'not an excluded body'.

Amendment 79, page 99, line 19, at end insert—

'(6A) Non-compliance with any assessment notice will be treated as a contempt of court.'.

Amendment 80, page 101, line 6, leave out 'without the approval of the Secretary of State' and insert

'until the code has been approved by a resolution of each House of Parliament'.

Government amendment 25

Amendment 81, clause 155, page 109, leave out lines 7 and 8 and insert—

'(4) The code must not be issued by the Commissioner until a statutory instrument containing the draft code has been approved by a resolution of each House of Parliament.'.

Amendment 82, page 109, line 10, after 'must', insert 'not'.

Amendment 83, page 109, line 13, after 'is', insert 'not'.

Amendment 84, page 109, leave out lines 21 to 27.

Amendment 85, page 109, line 30, after 'under', insert 'annual'.

Government amendments 152 and 153

Amendment 86, schedule 18, page 183, line 1, leave out sub-paragraph (2) and insert—

'(2) In subsection (1) for "he may serve" to the end substitute "he may serve the data controller, or a data processor, with a notice (in this Act referred to as an 'information notice') requiring the data controller, or data processor, to furnish the Commissioner with specified information relating to the request or to compliance with the principles."'.

Amendment 87, page 183, line 5, after '(1)', insert

'"data processor" refers to a third party handling data on behalf of—

(a) a government department, or

(b) a public authority designated for the purpose of this section by an order made by the Secretary of State, other than an excluded body, as set out in section 41A(12);'.

Amendment 88, page 185, leave out line 21.

6 pm

Mr. Bellingham: In addition to new clause 19, which stands in my name and those of my hon. and learned Friends the Members for Beaconsfield (Mr. Grieve) and for Harborough (Mr. Garnier) and my hon. Friends the Members for Enfield, Southgate (Mr. Burrowes), for Epping Forest (Mrs. Laing) and for Crewe and Nantwich (Mr. Timpson), I plan to discuss our amendments 78 to 88. I also want to comment on Government amendment 25.

Our new clause 19 would remove the immunity of Government Departments from prosecution, because the Government's record on handling, storing and transporting confidential data is appalling. I am afraid that the Ministry of Justice is one of the worst offenders. A computer hard drive containing the details of up to 5,000 employees of the National Offender Management Service in England and Wales was lost by the private firm, EDS. Despite the loss having occurred in July 2007, the Justice Secretary was not told until September 2008. In August last year, the names and addresses, details of convictions and even jail release dates of almost 130,000 people were lost when a computer memory stick went missing. It was being used by an employee of a private contractor working for the MOJ. The Information Commissioner said at the time that the data were a "toxic liability", and described the loss as "deeply worrying".

The Ministry of Defence is another serial offender. Some time ago, the Defence Secretary of the time was forced to revise upwards the estimate of the number of laptops stolen from his Department in the previous four years from 347 to 658. Furthermore, in January last year, the then Defence Secretary revealed that an MOD laptop, which contained the details of 600,000 people, had been stolen from the boot of a naval officer's car in Birmingham. The computer contained unencrypted lists of names, addresses, bank and driving licence details, national insurance and national health service numbers and so on—an appalling security lapse.

In 2007, Her Majesty's Revenue and Customs had the so-called discgate scandal, in which 25 million records were lost. In November that year, the Chancellor of the Exchequer admitted that two CDs containing child benefit data had been lost in transit to the National Audit Office. Also in November that year, HMRC lost the personal details of 15,000 Standard Life pension holders, after a CD was lost in transit by an external courier.

Many other Departments have lost data, including the Department of Health, the Department for Work and Pensions and the Department for Communities and Local Government. Many of the subsequent inquiries revealed lax security procedures, confused chains of command and, above all, no proper accountability. Many Departments have a serious cultural problem, which is simply not being addressed.

Last year, the Secretary of State for Energy and Climate Change, who was then the Minister for the Cabinet Office, amid great fanfare launched new guidelines called "Data Handling Procedures". He promised

"a culture that properly values, protects and uses information".—[*Official Report*, 25 June 2008; Vol. 478, c. 26WS.]

He also announced stronger accountability mechanisms within all Departments, but unfortunately those changes have delivered no substantial improvements. In fact, they have delivered little. Proper sanctions are needed.

[Mr. Bellingham]

The Bill contains no sanctions, and we feel strongly that immunity of Departments from prosecution should be removed. Only by applying such sanctions will permanent secretaries and civil servants make the prevention of loss of data a key priority. We need to send a strong signal to all Departments and agencies that cavalier and unprofessional attitudes to our personal data and privacy will not be tolerated. I hope that the Minister will accept our new clause.

I turn to our amendments 78 and 79. Amendment 78 is almost identical to new clause 38, which was tabled by the hon. Members for Hendon (Mr. Dismore) and for Oxford, West and Abingdon (Dr. Harris). The official Opposition, and particularly my hon. Friend the Member for Epping Forest, have said for some time that it is essential that the Information Commissioner be given more power to control and monitor holders of data. That is why we support the principles behind clause 153. However, the clause has one glaring gap, as it does not provide any enforcement powers. If the assessment notice is made, and its subject refuses to comply, the Bill does not allow for any immediate sanction.

Under our amendments 78 and 79, the Information Commissioner will be able to go to the county court, which must decide whether the assessment notice was properly issued, and whether there was a reasonable excuse for non-compliance. If the court decides for the commissioner, it will order the data controller to comply with the assessment notice. Failure to do so will result in the data controller being in contempt of court. We feel strongly that there is no point having an assessment notice regime without proper sanctions for non-compliance. As Sir Mark Walport and the Information Commissioner, Richard Thomas, said in their submission to the Committee:

"There are also no meaningful sanctions for failure to comply with the requirements of an Assessment Notice: this needs strengthening in order for it to be taken seriously."

I hope that the Minister will accept amendments 78 and 79.

Mr. Andrew Dismore (Hendon) (Lab): I am grateful to the hon. Gentleman for his comments about new clause 38. As he says, the Information Commissioner recommends such a proposal. The sanction comes at the end of a long chain of warnings and efforts to ensure compliance. If we get to the end of that long chain, something has obviously gone seriously wrong. Some effort is required to make compliance happen, and a contempt of court order can be absolved by compliance.

Mr. Bellingham: I am grateful to the hon. Gentleman for making that point, on which he can expand when he makes his speech.

Amendments 80 to 85 relate to clause 155, which sets up the data-sharing code of practice. They would ensure that there is an affirmative resolution of both Houses before the commissioner issues the data-sharing code. Given that the Secretary of State is removing the key data-sharing provision, clause 154, from the Bill, why is it necessary to have a data-sharing code? Is that not a little suspicious and illogical? Surely the Secretary of Sate's credibility in the matter would be reinforced if he also withdrew clause 155; otherwise, people will conclude that if the power to set up a data-sharing code is left in the Bill, the Government will return at some stage with their totally unacceptable data-sharing proposals. However, if the Secretary of State does decide that the data-sharing code proposals must stay in the Bill, surely it makes sense to accept our amendments 80 to 85.

I turn to our amendments 86 to 88. In Committee, we discussed at length the apparent anomaly that the assessment notice regime applied to the public sector only. May I refer again to the submission to the Committee by Sir Mark Walport and Richard Thomas, the Information Commissioner? The submission pointed out:

"As we stated in the report, distinguishing between public, private and voluntary sectors makes little sense, especially as more information is shared across sectors whose boundary lines are forever shifting."

The Information Commissioner went on to say:

"Private and third sector bodies frequently carry out work for public sector ones. It is common for charities, for example, to carry out functions on behalf of local government. As it stands, we could inspect the local council but not the charity."

I argued in Committee that as a consequence of the private sector's ever greater involvement with Government Departments, agencies and local government, there was an increased blurring of the barriers between the public and private sectors. I gave a couple of examples. The Crown Prosecution Service and the Solicitor-General have a large contract with what was LogicaCMG that covers the provision, support and maintenance of hardware and software applications used by the CPS, including the management of a number of large databases such as the witness management system and the graduated fee scheme for counsel.

Another example relates to the Department for Business, Enterprise and Regulatory Reform, which manages a large number of public sector databases but also has a number of private sector contractors. In fact, of its 166 databases, 75 are maintained by the Department but 90 are run by private sector contractors. Obviously, there is substantial blurring between the two sectors. Amendments 23 and 24 would bring the private sector into the assessment notice regime. The Minister has argued that such an extension to the private sector would place extra burdens on business and conflict with the Hampton principles. My party believes passionately in reducing the burdens on business, so it is hard to ignore the Minister's concerns; she also raised various points about powers of entry. She feels that a more co-operative approach between business and the Information Commissioner would be desirable.

However, I submit that there is a compromise solution. Amendments 86 to 88 would extend the less severe and substantially less burdensome information notice regime to the private sector. Crucially, the information notices in schedule 18 do not confer powers of entry, so why does the Minister not accept the amendments as a way to extend the Information Commissioner's powers to the private sector in a much less onerous manner? I urge the Minister to accept that argument. She has said clearly that she does not want the assessment notice regime to be extended to the private sector, and she has given her reasons for that, but surely our compromise solution would make a great deal of sense.

I turn to Government amendment 25. We argued in Committee as powerfully as we could that clause 154—it was clause 152 at the time—should be deleted. In response,

the Minister gave numerous reasons why the clause was needed. We had a vote and lost it. Then we heard that the Government were in the process of climbing down—unfortunately, that was announced in the Sunday press, rather than in Committee or on the Floor of the House. The Secretary of State then tabled his amendment.

Bridget Prentice: For the record, and as the hon. Gentleman will know, I said clearly in response to the Committee debate that the clause was too wide and that we would reflect on the debate and look at it again.

Mr. Bellingham: I am grateful to the Minister, and I do not want to be churlish. We had a vote and the clause stood part of the Bill when we came out of Committee, and we felt that we had to vote against it at the time. We are delighted that we helped win the argument and feel vindicated, and we should not be churlish. However, our relief and joy is coloured and tinged by our ongoing and grave concerns about the Government's record and policy on data.

I mentioned earlier the Government's appalling record on storing and handling data. We are concerned not only by the Government's incompetence; of far greater concern are the fundamental flaws in their entire data policy. Only today we heard reports that ContactPoint, the Government's child protection database, is in disarray. It was designed to help protect Britain's 11 million children, but its launch has been delayed again after local authorities discovered loopholes in the system that was to hide the details of the most vulnerable young people in this country. ContactPoint has been described as almost entirely illegal by the Joseph Rowntree Reform Trust, and a spokesman for the Department for Children, Schools and Families said that it was working to resolve the problem.

You couldn't write the script, and it gets worse. A recent report by Ross Anderson, professor of security engineering at Cambridge, concluded that at least 11 of the Government's databases could be illegal. He went on to point out that the Government are spending a staggering £16 billion a year on data gathering and plan to spend another £105 billion on it in the next five years. Furthermore, almost every one of those database projects has signally failed to remain on budget.

6.15 pm

In 2002, the then Prime Minister Tony Blair launched Connecting for Health, a massive £6.2 billion database for medical records; since then, the costs have more than doubled to £12.7 billion, two of the four contractors have pulled out and the launch has been put back to 2015. At the time, the then PM said:

"If I live in Bradford and fall ill in Birmingham, I want the NHS to be able to treat me".

However, as Ross Clark, author of "The Road to Southend Pier: One man's struggle against the surveillance society" said, thank goodness Mr. Blair did not fall ill in Stafford. As the Healthcare Commission made clear in its report, it was the Mid Staffordshire NHS Foundation Trust's obsession with targets and data that critically undermined clinical judgment and the treatment of patients. The problem is that time and again the Government's default position when faced with a crisis is to announce yet more databases and more infringements on our civil liberties.

There is no doubt that there is a serious terrorist threat in this country, but the Government's response to the 7 July bombings was to announce that they would bring in an ID register—never mind that none of the bombers had ever tried to hide their identities. We obviously have serious problems with crime being out of control, and the Government have to do their best to combat it, but they are going to expand the national DNA database even though the overwhelming majority of crimes are committed by a small proportion of the population who are already on the DNA database.

Only yesterday morning, the Minister of State, Ministry of Justice, the right hon. Member for North Swindon (Mr. Wills), was opining in an extraordinary manner on the Sean Hodgson case. He pointed out that Mr. Hodgson would never have been released or won his freedom if it were not for DNA testing and databases. Of course Mr. Hodgson was released only because of DNA testing, but that had absolutely nothing to do with DNA databases; all that was needed was one DNA sample from him that did not match any of the key exhibits. The right hon. Gentleman was getting completely carried away. The problem is that when it comes to a crisis, the Government's default position is to react in the only way they know: to announce yet further extensions of databases.

I should like to quote from the former Director of Public Prosecutions, Sir Ken Macdonald, who was referring to the proposed communication database when he said:

"We need to take very great care not to fall into a way of life in which freedom's back is broken by the relentless pressure of a security state."

Of course we welcome the Government's withdrawal of clause 154. However, as I mentioned, our joy is tempered and coloured by that appalling catalogue of failings. We need not only a cultural change, but a fundamental change of Government. We welcome what the Government have done, but there is still a long way to go.

David Howarth: As the hon. Member for North-West Norfolk (Mr. Bellingham) intimated, the most important amendment in this group is amendment 25. The hon. Gentleman gloated a little, so perhaps I will be allowed to: I was glad that one of my amendments—the one to remove clause 154—had been signed not only by the representatives of the Joint Committee on Human Rights, but by the Government. I am glad that they have promoted my modest amendment into Government amendment 25.

The Government are entirely right to withdraw the data-sharing proposals, which were far too broad for the problem that they were meant to solve. As Ministers repeatedly said, some data sharing can be beneficial. No one denied that; the question was about the power that had been created to deal with that particular point. The Bill proposed—and continues to propose until amendment 25 goes through—to allow orders from the Secretary of State to permit data sharing between any people anywhere in the world, for the purposes of furthering any Government policy. The orders were capable of overriding the Data Protection Act 1998, the Human Rights Act 1998 and any other relevant legislation. That final point, especially the possibility that the data-sharing orders would override the Data Protection Act, was the key problem and the point at which the Government rightly decided to give way. Clause 154—or clause 152, as it was—was never proportionate and never had adequate safeguards.

[David Howarth]

The hon. Member for North-West Norfolk is right to point to the context—one in which Governments collect vast amounts of data and then use them badly, incompetently or in many cases, as Ross Anderson from the university of Cambridge observed, illegally. The Government need to be aware of that context when they return to the data-sharing proposal. As I understand it, they intend to do that not in this Bill but at a later point. I urge them to consult properly, not only with the usual suspects but with all the organisations that felt deeply that clause 152—now clause 154—was the wrong way to go, including the British Medical Association and all the Opposition parties. Otherwise, their next attempt to write a clause to do with data sharing may well turn into a colossal waste of time, as this one has proved to be.

With that small amount of gloating over, let me turn to the amendments.

Mr. Edward Garnier (Harborough) (Con): More gloating!

David Howarth: The hon. and learned Gentleman requests more, but I am sure that that is enough for the time being.

I want to speak briefly to amendments 23 and 24, which are similar to amendment 133, tabled by members of the Joint Committee on Human Rights. As the hon. Member for North-West Norfolk said, they seek to extend to the private sector the Information Commissioner's new inspection powers under the new assessment notice procedure. As things stand, assessment notices have two problems, the first of which—it was mentioned by the hon. Member for Hendon (Mr. Dismore)—is that there is no enforcement mechanism for the new assessment notices. The obvious way to solve that is the application to court route, because that is more challengeable and more open than a warrant route. I therefore support amendments, such as new clause 38, which attempt to change that situation.

The other problem addressed by the amendments is the coverage of the assessment notice system. For reasons that remain obscure, but which might have had something to do with the lobbying by the CBI and business interests that broke out when my hon. Friend the Member for Cardiff, Central (Jenny Willott) and I moved amendments in Committee, the assessment notice procedure is confined to the public sector, and even within that it is confined to directly controlled organisations and does not cover even private organisations carrying out public functions under contract. That is unacceptable. Private organisations control vast amounts of data, and there is constant concern about how they use them. The Information Commissioner is clear that there are more complaints about the use of data by private sector organisations than use of data by the public sector. Sometimes the Government's defence in response to examples of their incompetence in dealing with data such as those cited by the hon. Member for North-West Norfolk is to say, "Well, the Government are no worse than the private sector at this sort of activity." That is a somewhat feeble defence, but it illustrates the point that these problems are not confined to the public sector.

As I understood it in Committee, the Government's case for leaving out the private sector is that it collects data voluntarily, which makes it different from the public sector in that regard. I cannot accept that, for three reasons. First, there are the reasons given by the hon. Member for North-West Norfolk, which are dealt with in amendments 87 and 88. There are many examples of private organisations working under contract to the Government and which have collected information from the Government that the Government got on a non-voluntary basis.

Jenny Willott (Cardiff, Central) (LD): Does my hon. Friend agree that the number of people who are getting caught out by that is increasing? For example, people who are facing unemployment in the current economic crisis have had their information passed to private sector companies for assistance with getting back into work. Given that they number 2 million and rising, every day there are more and more people whose data, not voluntarily given, has been passed to the private sector.

David Howarth: Yes, that is the case. One has to take into account the interaction of different Government policies. The more the Government want to use the private sector and the voluntary sector to a greater extent in the delivery of services, the worse the problem will get.

The second reason I do not accept the Government's point is illustrated by the recent controversy about Google Street View, where Google supplements its maps with photographs of every house and building in many towns and cities. That demonstrates that private organisations, even when acting purely as such and not working for the Government, do not confine themselves to data they acquire voluntarily. My house is on Street View; Google did not ask me about it, and I am sure that it did not ask anybody else.

Thirdly, what worries people about data is what can be done with them, especially data they gave voluntarily at some point in the past without realising how they could be used at some future point—for example, data about which websites someone has visited or which products they have bought from a shop. Bringing all those forms of data together using sophisticated data-mining techniques and analysis can reveal vast amounts about people that they did not intend to reveal, even though technically they voluntarily allowed the data to be handed over to private organisations.

Liberal Democrat Members think that there is an overwhelming case to extend the scope of the assessment notice system beyond the public sector, as narrowly defined. That view is also taken by the Information Commissioner. After all, the assessment notice system introduced by the Bill is a very gentle form of preventive intervention, not the full panoply of the law. Given that, and given the other options that the Information Commissioner has, there is a strong case for the broader extension of these powers. I urge the Government to resist the lobbying that has been going on and to look at the point of principle from the position of ordinary members of the public who are worried about what is being done with the data they handed over.

Dr. Evan Harris: I rise briefly to speak to the two amendments tabled in my name and those of the hon. Members for Hendon (Mr. Dismore) and for Ealing, Southall (Mr. Sharma), as members of the Joint Committee on Human Rights. As we have heard, amendment 133 is analogous to amendments 23 and 24.

The CBI told the Public Bill Committee that there were not sufficient safeguards to protect the privacy of individual data controllers in the private sector, but we concluded, after examination, that the safeguards already in the Bill are significant; indeed, they provide greater protection than other compulsory powers of entry, search and seizure in the Bill. For instance, an assessment notice must specify the time at which a search or other inspection will take place and the time within which an individual data controller must comply. Rights to appeal against the term of any notice are provided, and there is express protection for legally privileged material. Those are all safeguards that we had called for in respect of other Bills when the Government had said that they would put them only in secondary legislation. In this case, they are in the Bill and yet the CBI is still concerned.

We thought that the CBI's objections were insufficient, and possibly even invalid, and reinforced the point, which has just been made, that there is a significant amount of contracting out of public functions to private data controllers. There should therefore be no exemption or lower degree of protection in respect of the powers of the Information Commissioner in those cases, at the very least. I would be grateful if the Minister addressed those arguments.

Our other point relates to new clause 38. The Information Commissioner has called for the power of sanction, and we consider the additional powers for the commissioner to be a human rights-enhancing measure. We noted the Government's view that it would be unusual for a Department or other public body to ignore an assessment notice or fail to comply with its terms, but there is no reassurance in the Bill that that will not be the case, which is why we tabled the new clause. I hope that the Minister will respond to that point.

6.30 pm

Bridget Prentice: I am speaking a little sooner than I expected, but there we are. I begin with Government amendment 25, which is at the heart of this grouping on data sharing and data protection, and the associated consequential amendment 153. They will remove from the Bill the power to establish new information-sharing gateways by secondary legislation. The proposal in clause 154 for information-sharing orders stemmed from a recommendation of the independent data-sharing review, conducted by the commissioner, Richard Thomas, and Sir Mark Walport, the director of the Wellcome Trust. They recommended changes to the legal framework for data sharing, in part to support better public service provision. To counterbalance that power, the review recommended that there should be a transparent and consistent mechanism ensuring greater scrutiny while reducing the scope for confusion.

Following the spirit of those recommendations, clause 154 included a raft of safeguards to ensure an appropriate level of public and parliamentary scrutiny. However, in Committee and elsewhere, we heard and understood the concerns that hon. Members and others expressed about the information-sharing gateway proposal, including that the power was open to misuse. It is important to make it clear that it was never the Government's intention to allow indiscriminate information sharing, regardless of any protections set up by the Data Protection Act.

After a thorough consideration of the views expressed by Members of this House and by such outside organisations as the British Medical Association, which I met to discuss this very point, we have concluded that a more in-depth analysis of the features of an information-sharing power was needed. It is therefore right that we withdraw clause 154 from the Bill while we undertake that further work. That is a good example of how scrutiny in this place works, and although those who spoke for the Opposition parties had a small go at gloating, they did not go overboard. I appreciate that and I am grateful to them. We accept the humble pie that they proffered to us.

The Government are clear that there are many benefits to sharing data, as I said in Committee. To deliver high-quality public services, Departments need to share personal information in a secure and appropriate fashion. Through such data sharing we can improve opportunities for the most disadvantaged, provide customer-focused public services, reduce the burden on businesses, implement policies effectively and detect fraud. We do not underestimate the risks attached to information sharing, nor will we let them blind us to the potential benefits. I assure the House that in taking the matter forward we will consider carefully the views expressed by all interested parties.

The other Government amendment in this group, amendment 152, requires a brief explanation. New section 41A of the Data Protection Act 1998, inserted by clause 153 of the Bill, provides the Secretary of State with the power to designate, by order, those public authorities subject to the assessment notice regime. As our published delegated powers memorandum makes clear, we intended that that order-making power be subject to the negative resolution procedure. However, owing to an oversight we omitted to amend section 67 of the Data Protection Act, which determines the level of parliamentary scrutiny for all delegated powers in that Act. The amendment makes good that omission.

Let me now move on to the other amendments that relate to assessment notices. They deal with three issues: the scope of the assessment notice regime, the sanctions for non-compliance and their relationship with civil penalties under section 55A of the Data Protection Act. Amendments 23 and 24, in the name of the hon. Member for Cambridge (David Howarth), and amendment 133, tabled by my hon. Friend the Member for Hendon (Mr. Dismore), deal with scope. Assessment notices constitute an important step towards improving public trust and confidence in the handling of personal information by public sector data controllers. They will create a formal system based upon the current arrangement of spot checks undertaken on Government Departments by the Information Commissioner, which aim to raise the awareness and compliance of public bodies with data protection principles.

Clause 153 represents the statutory base for the commitment made by the Prime Minister in November 2007, after the loss of the data from Her Majesty's Revenue and Customs to which the hon. Member for North-West Norfolk (Mr. Bellingham) referred, to provide the Information Commissioner with the power to spot check Departments. That power is therefore a specific answer to a specific issue. As the clause stands, it is already possible to include certain private or third sector data controllers within the scope of assessment notices.

[Bridget Prentice]

That would be in cases where those data controllers appear to the Secretary of State to exercise functions of a public nature, or are providing, under a contract made with a public authority, any service whose provision is a function of that authority.

There are sound arguments for applying a higher level of scrutiny to public sector bodies. Data controllers in the public sector handle a variety of sensitive personal information that is necessary to fulfil their responsibilities, such as providing health and social services, fighting crime, and detecting fraud. Most of the information handled by public sector data controllers, or those working on their behalf, is vital to determine entitlements, responsibilities, and obligations. That citizens must provide their personal information to access essential services is, in this context, a defining feature of the relationship between the citizen and the public authority.

For the private sector, the ability of the public to choose to go somewhere else is a powerful driver, encouraging businesses to look after personal information. Extending assessment notices to the private sector could, as a result, act as a significant additional regulatory burden. While I remain to be persuaded of the case for applying the assessment notice regime to all data controllers, we will continue to consider the points made by the Information Commissioner and by some Members of this House in support of those amendments. However, any move to include all data controllers within the scope of assessment notices would need to be carefully considered. We consider that clause 153 strikes a fair balance between the need to enhance the Information Commissioner's powers and the potential impact of those changes in view of the wider regulatory framework.

Amendments 78 and 79 and new clause 38 deal with the issue of non-compliance. Specifically they seek to deal with non-compliance with an assessment notice as if it were a contempt of court. Again, I remain to be persuaded that a bespoke sanction for non-compliance with an assessment notice is needed. In practice, it is difficult to envisage a public sector body refusing to comply with an assessment notice, considering the bad publicity that would ensue from such a notice. That said, the Information Commissioner made it clear that he would like some kind of penalty or sanction for refusal to comply.

Of course, the Information Commissioner already has a range of enforcement powers available to him for a failure to comply with the Data Protection Act. Information notices can be used alongside assessment notices if he reasonably requires information to assess compliance with data protection principles. If he discovers a breach of those principles during an assessment, he can issue an enforcement notice to compel the data controller to comply with data protection obligations. He also has powers to apply for a search warrant under schedule 9 to that Act. Arguably, any greater powers would be disproportionate and inconsistent with broader Government policy about the investigatory powers of regulators. Again, however, I am prepared to reflect carefully on the arguments that have been made as the Bill makes further progress.

Amendment 88 would remove the proposed exemption from liability for a civil monetary penalty for serious breaches of the data protection principles in cases where information about such a breach comes to light following the issue of an assessment notice. Those monetary penalties, which are provided for in section 55A of the Data Protection Act, will apply in cases of deliberate breach and when a data controller is aware that there is a risk of serious breach but fails to take reasonable steps to prevent it.

By contrast, as I have indicated, assessment notices are a valuable tool to raise compliance levels and to educate public bodies that are being assessed. That is why they do not require the existence of suspicion of non-compliance, or actual non-compliance, with the data protection principles. They are random spot checks. Given the nature of the assessment notice regime, we do not consider it appropriate for information gathered through that process to render a data controller liable to a civil monetary penalty. In any case, the commissioner can still employ his other enforcement tools as and when required throughout an assessment. For example, if he discovered a breach of the Data Protection Act during an assessment, he could still take enforcement action. As I have said, he could issue an enforcement notice under section 40 of that Act.

New clause 19 would limit the existing Crown immunity under the Data Protection Act so that Government Departments would be open to prosecution under it. As the hon. Member for North West Norfolk will know, Crown immunity means that emanations from the Crown are not ordinarily liable to prosecution for offences created either in statute or in common law. That includes Government Departments, and the limitation on the prosecution of Departments includes the offences in that Act.

That is not to say, however, that Departments are not subject to adequate sanctions for breaches of data protection principles. They can still be subject to enforcement notices, claims for damages in a civil court or civil monetary penalties. That last point is particularly important because it means that financial penalties can be imposed on Government Departments. That range of other sanctions and penalties is sufficient for me to remain unconvinced that disapplying the normal rules on Crown immunity would make any material difference.

Amendments 80 to 84 would make the Information Commissioner's codes of practice on assessment notices and data sharing subject to the affirmative resolution procedure. The assessment notice code of practice is not subject to any parliamentary procedure, whereas the data-sharing code is subject to the negative resolution procedure. Given the scope of those codes, I believe that we have probably got the level of parliamentary scrutiny right. They are not on a par with, for example, the codes of practice issued under the Police and Criminal Evidence Act 1984. However, if we have misjudged the level of scrutiny for those two codes of practice, I am pretty confident that the Delegated Powers and Regulatory Reform Committee in the other place will be quick to tell us that. We will, of course, consider carefully any recommendations that it makes.

Amendment 85 would require the Information Commissioner to conduct an annual review of the data sharing code of practice. The Bill already obliges the commissioner to keep the code under review, and he is required to update it if he becomes aware that its content could result in the UK being in breach of any of its community or international obligations. My concern is that the amendment could prevent the code from being revised quickly once a breach has been identified.

It might be a little too rigid in calling specifically for an annual review. The Bill will give the Information Commissioner scope to reconsider and review the code as and when he sees fit. We believe that that is right, given that his role as the independent data protection regulator is to provide the most up-to-date guidance to facilitate data controllers' compliance with the Data Protection Act.

6.45 pm

Finally, amendments 86 and 87 deal with information notices. Section 43 of the Data Protection Act provides the Information Commissioner with the power to issue a data controller with an information notice. That can require a data controller to provide the commissioner with specified information in a specified form, to assess compliance with the data protection principles. The commissioner can issue a notice to any data controller as long as he reasonably requires information to determine their compliance. Failure to comply with an information notice is a criminal offence. The amendments would extend the commissioner's power to issue an information notice to data processors as well as data controllers. The meaning of a data processor is limited to those handling data on behalf of Government Departments and designated public authorities.

The structure of the Data Protection Act places the responsibility for personal information on the data controller, not the data processor. Introducing a power to serve a notice on a data processor could shift the regulatory balance of the Act. All data being processed by or on behalf of an organisation must be covered by the data controller's registration. It is the responsibility of the data controller to obtain the information that the commissioner requires. I fear that the amendments would represent a significant change to the data protection regime, so the matter might be better suited to consideration in the review of the European directive that is under way. I therefore hope that the Opposition will not press those amendments.

The hon. Member for Cambridge expressed concern about the Information Commissioner and Google Street View. I have to say that I could not find my street on it, but that might be because I am sometimes technologically illiterate when it comes to such things. I understand that the commissioner is keeping the situation under review, and of course anyone can request to have their image removed. I understand that Google is quite surprised by how few people have so far asked to have their image removed, but that is another matter.

Jenny Willott: Has the Minister asked the Information Commissioner to consider the implications for public services of some of the issues that have arisen from Google Street View? I know that it has been online for only a couple of days, and I have to confess that it is quite intriguing to play with, but I understand that in one case, a woman fleeing domestic violence was photographed outside her new house. There are therefore implications for the police, councils and so on. Has she asked the commissioner to look into that?

Bridget Prentice: The hon. Lady makes a good point, and she is quite right. Although it may be fun playing about with these things on computers, there are potentially sensitive issues attached to them. I shall certainly ensure that the Information Commissioner takes up that point when he reviews the situation.

I wish to respond to some of the points that the hon. Member for North-West Norfolk made. He asked why we needed a data-sharing code of practice if we are dropping the data sharing order-making power. Of course, the code will be wider than the order-making power and contain practical guidance on the sharing of personal data and other guidance that promotes good practice in data-sharing. It will ensure that the availability of practical and up-to-date guidance about how to share personal data is in accordance with the requirements of the Data Protection Act.

The hon. Gentleman also asked about extending information notices to the private sector and suggested that his amendments might be seen as a compromise. Information notices already extend to private sector data controllers because they can be served on any data controller. I hope that that answers those points.

Although I cannot commend any of the amendments that my hon. Friend the Member for Hendon, and the hon. Members for North-West Norfolk and for Cambridge have tabled, I want to offer an assurance. We will continue to listen carefully to the arguments for extending the scope of assessment notices and providing some form of sanction for non-compliance. I do not want to raise expectations, but I also do not want to give the impression that clause 153, as drafted, represents the last word on the matter. I hope that, if and when we make further changes to that provision, the hon. Member for North-West Norfolk will remember that I said it here first.

Mr. Bellingham: We are sorry to learn that the Under-Secretary of State for Justice, the hon. Member for Liverpool, Garston (Maria Eagle) is not well. She has an inner ear infection—anyone who has had one knows how incredibly painful and horrible it is. We therefore wish her a speedy recovery and speedy return to her place in the Department.

The Minister has given her usual courteous and effective explanation of the Government's position. I accept her comments about Government amendment 25 and we are grateful for her remarks. Furthermore, her response to the new clause and amendments that we tabled was reasonably encouraging. There will be ample opportunity to revert to those matters in another place. We have a top Tory legal team in the Lords and they will revert to the issues. I am sure that they will be encouraged by her comments, and I therefore beg to ask leave to withdraw the motion.

Clause, by leave, withdrawn.

Clause 154

INFORMATION SHARING

Amendment made: 25, page 101, line 12, leave out clause 154.—*(Bridget Prentice.)*

Schedule 18

AMENDMENTS OF THE DATA PROTECTION ACT 1998 (C. 29)

Amendments made: 152, page 182, line 26, at end insert—

'4A In section 67 of that Act (general provision about orders etc under the Act) in subsection (5)(a) insert at the appropriate place— "section 41A(2)(b),".'.

Amendment 153, page 182, line 29, leave out '(except in Part 5A)'.—*(Bridget Prentice.)*

Clause 103

SENTENCING GUIDELINES

David Howarth: I beg to move amendment 20, page 61, line 37, at end insert—

'(za) the relative effectiveness of sentences in preventing re-offending;'.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following:

Amendment 21, page 61, leave out lines 41 and 42 and insert—

'(d) the relative cost-effectiveness of different sentences in relation to preventing re-offending;'.

Government amendment 143.

Amendment 22, clause 104, page 62, line 4, leave out subsections (2) and (3) and insert—

'( ) The guidelines must state the appropriateness of imposing different types of sentence for the offence with reference to characteristics of the offender and to characteristics of the offence, including the seriousness of the offence in terms of its effects on victims and the impact different sentences would have on victims.'.

Government amendments 144 to 146.

Amendment 43, clause 108, page 65, line 12, leave out 'follow' and insert 'have regard to'.

Amendment 74, page 65, line 12, leave out 'follow' and insert 'take account of'.

Amendment 75, page 65, line 15, leave out 'follow' and insert 'take account of'.

Amendment 73, page 65, line 17, leave out from 'court' to end of line 18 and insert

'is of the opinion that it would be unfair to the offender to do so.'.

Government amendments 147 and 148.

Amendment 76, clause 110, page 67, line 14, leave out 'must' and insert 'may'.

Amendment 77, page 67, line 17, at end insert—

'(aa) the number of places available and unfilled in the prison system at the date of the assessment,'.

Amendment 44, page 67, line 28, at end insert—

'(6) Whilst the courts may have regard to the availability of correctional resources, for the avoidance of doubt the courts must not pass a sentence that is wholly determined by resource assessments which are expressly intended for the guidance of the Secretary of State in planning for and providing such custodial or community sentences as he advises Parliament, and it considers, necessary in the light of such assessments.'.

Amendment 161, page 67, line 28, at end insert—

'(6) The Secretary of State must monitor any resource assessment published under this section and must ensure that, so far as reasonably practicable, adequate resources as determined by the resource assessment are made available for the implementation of the guidelines.'.

Government amendments 149 and 150.

David Howarth: We now deal with the provisions on sentencing, especially on the Sentencing Council and sentencing guidelines. I support the basic idea in the Bill. It has been a long time coming and various methods and versions were proposed, but the underlying idea was always the same: we should provide for strengthened national powers for a body that includes judges and non-judges and lays down guidelines for sentencing. The underlying idea all along has been more consistency in sentencing and more understanding of the sentences that are passed. So far, so good. I believe that hon. Members of all parties accept that.

The difficulty has always arisen with going beyond the simple aim of extra consistency with extra understanding. The Government have got into trouble by trying to make one of the leading goals of the Sentencing Council and sentencing guidelines simply to save money by various means, including the fairly laudable one of making the criminal justice system more predictable. The problem is that that creates an incentive to make the guidelines far too rigid, to the extent that one could end up with the position in some United States jurisdictions, where the guidelines are so rigid that there is no judicial discretion. The Government have rightly moved from the rigid model, but also have to admit that the benefits that it would have brought in financial predictability have been somewhat compromised.

I am not against going beyond aiming for consistency in the sentencing guidelines. My overriding concern is not the total amount that the Government spend on sentencing, but the direction of the criminal justice system. I especially want the guidelines to help further the aim of turning the criminal justice system around so that its main purpose is to reduce reoffending by imposing sentences that work, as opposed to those that simply sound tough.

I am fortified in my view by not only members of my party, but members of other parties in the House and members of the Justice Committee. Reducing reoffending should become a central aim of sentencing. Other matters cannot be ignored, but when reducing reoffending is ignored, the result is inevitably that crime is higher. There are more victims. The Government are right that victims and concern for them should be at the heart of the criminal justice system, but that must include potential victims. Only by reducing reoffending—most offending is committed by those who have done things in the past—do we genuinely put victims, especially potential victims, at the heart of the system.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): I endorse the hon. Gentleman's comments. I signed amendments 20 and 21 because it is a weakness not to specify the purpose of the Sentencing Council. I agree that, if it is about anything, it must be about reducing reoffending. Does the hon. Gentleman recall that, when we took evidence about what victims want, we were told that, other than wanting the offence that victimised them not to have happened, they wanted it not to happen again? Not only potential victims, but those who are already victims would therefore endorse the view that the priority should be reducing reoffending.

David Howarth: I thank the right hon. Gentleman for that important point. Sometimes, we in politics misunderstand what the public tell us about crime. We often think that they are telling us to be tougher and harder for the sake of it, but I do not believe that they are. When the public demand tougher sentencing, they want it to produce the result that the right hon. Gentleman outlined: to reduce reoffending. We must ask ourselves whether tougher sentences would achieve that. If the

evidence shows that they would not, our duty is to ensure the imposition of sentences that do. We are perfectly capable of making those decisions, but bound to take into account what the public want from sentencing. As the right hon. Gentleman said, they want to reduce the risk of becoming a victim of crime in future. That is the point of amendments 20 and 21.

We know more about what works and what does not in sentencing than might be supposed from reading the newspapers. Sentencers should therefore be encouraged to use the knowledge that has been accumulated and is accumulating about what works. The best way of achieving that is not through individual sentencers learning more about the evidence, but through the guidelines.

For example, we know that short prison sentences do not work in reducing reoffending. On the other hand, restorative justice works—it is approximately a quarter more effective than other sentences. We know that from randomised controlled trials—the best evidence that one can collect. We know that short, sharp shocks and scaring-people-straight programmes—taking youngsters to jail and saying, "Look, here's a prisoner, this will happen to you"—do not work. Indeed, in the "Scared Straight!" case, such a programme made things worse. The evidence shows that they increase crime.

7 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): Surely the hon. Gentleman's point is rather less absolute and is, in fact, a relative one. The point is not that short sentences never work nor that effective community sentences always work. There is no doubt—the reoffending data are made public—that offenders are less likely to reoffend if they have received an effective community punishment than they are if they have served a short sentence. However, offenders are also less likely to reoffend if they have served a very long sentence—not that I am recommending that. My last point, which is about the dilemma facing the courts and policy makers, is that in almost every case where a short sentence is given out by the courts, it is given because the offender is one of those who has been given a community sentence and has failed to stop his reoffending. That is the dilemma for the courts and that is why they are bound to resort to short sentences.

David Howarth: I agree with the Secretary of State that the debate is not about absolutes; it is about tendencies and risks. However, the rational approach to sentencing must always be to use all the information that we have. All I am saying is that that information should be built into the sentencing guidelines.

Mr. Garnier: The Secretary of State is right in his analysis of the effect of some short sentences and the effect of longer sentences, but we also need to bear in mind something that might be missed if one takes what he said at face value. Those who get longer sentences tend not to be the chaotic characters who get short sentences; rather, they tend to be armed robbers or professional criminals. They are therefore altogether better able to look after themselves in prison and outside it, subject to being caught, whereas short-term repeat offenders are, by and large, chaotic characters who commit crimes to fuel a drug habit. By their very nature, they are less susceptible to the injunctions of the criminal justice system. The Secretary of State's facts were correct, but the inferences that we draw from them need to be carefully studied.

David Howarth: That is an important point. In cases of domestic murder, for example, the chances of reoffending are usually very low, which will skew the statistics that the Secretary of State used.

We know that for the type of offender that the Secretary of State was talking about—those with chaotic lives who sometimes find that they are sent to prison because the courts lose patience and cannot think of anything else to do with them—drug and alcohol treatment programmes are more effective, although not always effective, when delivered in the community than they are when delivered in prison. The reasons are obvious. Alcohol treatment, for example, is clearly the best way of dealing with violent offenders, even though some would say that all violent offenders must always be sent to prison. Alcohol and drug treatment programmes are far cheaper when delivered in the community than they are when delivered in prison. We could run more of them, and therefore prevent more crime, if we allocated our resources properly.

We know that what works best for those whom we have to put in prison—the Justice Secretary is right: there are some people whom we have to put in prison—in reducing reoffending are training, education and work programmes. In fact, it turns out that those programmes are cheaper and more effective in prison than they are outside it, for various reasons. That tells us the direction in which prison policy should go, not just the direction in which sentencing should go.

All I am saying is that we need a dynamic system in which whatever we know from the results of research is built into the process of drawing up the sentencing guidelines. That is all that amendment 20 aims to achieve.

One issue in this debate is costs and the extent to which they should be a relevant consideration in criminal justice policy. Let me make it plain that I have absolutely no objection to considering the relative costs of sentences in deciding what should be in the guidelines. It seems obvious that if two sentences are equally effective in reducing reoffending, we should use the cheaper one, because we can do more of it and prevent more crime in the long term. However, I hope that the Government will make it clear that that is the not the same as making sentences in individual cases respond solely to cost, because not only individual cases would be affected. In fact, given the disparate nature of sentencing, doing that would probably not be cost-effective, either.

It is also important to distinguish between the total resources available to the criminal justice system and the relative costs of different sentences. Sentencing guidelines should take into account relative costs, but that does not mean that they should take into account the total resources available to the system. That is the Government's business. It is for the Government to ensure that the resources are available to make sentencing in the criminal justice system work. As I understand it, that is the spirit of amendment 44, which has been tabled by Government Back Benchers.

Mr. Garnier: Amendment 44 is mine.

David Howarth: I am sorry. There are a number of amendments to a similar effect.

Overall, there has always been a tension between the courts on the one side, asserting their independence to pass sentences that they think are just, and the Government on the other side, trying to have a criminal justice policy. The methods that we have used so far to try to bring the two together have inherent problems of their own. Sentencing guidelines cause the problem, which I am sure the hon. and learned Member for Harborough (Mr. Garnier) will highlight, of reducing the discretion available to judges. Judges will plainly resent that. On the other hand, if we have only unguided judicial discretion, people in the Secretary of State's position will have to make resource provision for a vast number of sentences that are never used. That would massively increase the cost in the system and mean that resources were not being put to their best use for reducing crime.

There might be an even better way forward than the Bill, which is for the evidence that I suggest should be built into the sentencing guidelines process to be built into the Department's policy-making process, too. If the Sentencing Council and the Department were working from the same evidence about what worked and if they had the same goal of putting what works to reduce reoffending at the heart of the system, the co-ordination of what sentencers do with what the Government do would be more automatic than it is in a system in which one side tries to tell the other what to do.

However, perhaps that is a counsel of perfection. I concede that the Bill is, on the whole, a step forward, but I ask the Government to reconsider in detail how what works to reduce reoffending can be built into the system.

Alun Michael: I want the Sentencing Council to be a success and I want it to be effective, and I know that my right hon. Friend the Lord Chancellor wants that, too. My concern is that the Bill as drafted does not offer any certainty that the Sentencing Council will be effective. There is no certainty that it will address in sentencing guidelines the need to reduce reoffending or to change the attitudes of courts by ensuring that that is at the front of their minds.

I am not so concerned about the courts' ability to deal with the very serious cases of murder or with criminal gangs and so forth—those matters can be left for judges to decide—but I do not think that judges have demonstrated an ability to understand the need to intervene on prolific low-level offenders or the need to nip offenders in the bud. There is considerable amount of evidence, in work funded by the Esmée Fairbairn Foundation, that taking judges out to see the work of community sentences can be very effective in improving the standard of sentencing.

In the Public Bill Committee I offered three propositions and I very much hope that my right hon. Friend the Secretary of State will take them seriously. If he does not accept the two amendments proposed by the hon. Member for Cambridge (David Howarth), I hope that he will think further and perhaps introduce amending provisions in the other place.

The first of my three propositions is that people should be appointed to the Sentencing Council on the basis of their capacity to evaluate evidence on the effectiveness of sentences. I suggested amendments in Committee to put that directly into the Bill. At the moment, the council looks too much like a comfortable judges' club. The question of effectiveness that the hon. Member for Cambridge underlined in moving the amendments is absolutely critical to whether the Sentencing Council is going to be a valuable addition or not.

Secondly, I believe that the Sentencing Council should be given a clear purpose, which is absent from the Bill. We discussed that in a very good debate in Committee and I hope that my right hon. Friend will take it on board and set out what the Sentencing Council is for in a new clause in the other place.

My final point is the need to clarify clause 103, which specifies five principles to which the council must have regard. The reference to

"their relative effectiveness in preventing re-offending"

appears only in the second half of the fourth of those items. That would be made more explicit if we lifted it up the agenda by accepting amendments 20 and 21. If my right hon. Friend will not accept those propositions today, I urge him to make it absolutely clear in the Bill that this place expects the Sentencing Council to add value to the work of the courts and to attach great priority to advising the courts on what works in reducing reoffending.

Mr. Garnier: I want briefly, if I may, to discuss some of the amendments tabled by the Government and by the Liberal Democrats, but also to concentrate on my own amendments 43 and 44, which, to my mind at least, describe the difference between us and the Government in a fairly effective way. Amendment 43 deals with whether the sentencer should "follow" or "have regard to"—or as my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) would prefer, "take account of"—the directions of the Sentencing Council.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): There is no difference.

Mr. Garnier: As my right hon. and learned Friend says truthfully and entirely sensibly, there is absolutely no difference between what lies behind his amendments and mine. Amendment 44 deals with the resource implications of resource assessments and how they should affect the discretion of sentencers—a point brought out by the hon. Member for Cambridge (David Howarth).

Let me deal briefly with the other amendments and then come back to my own. Just before doing so, however, I declare an interest in that as a recorder, I will have to be guided by the Sentencing Council, just as I am already guided by the Sentencing Guidelines Council at the moment. I have some understanding in a practical sense of the effect of these types of arrangements—*[Interruption.]* It looks like the hon. Member for Cambridge is laughing at one of his own jokes.

7.15 pm

I do not think that there is much difference between us about the importance of the need to reduce reoffending. Both in Committee and this evening, we have all suggested that reduction of reoffending is a highly important aim of the criminal justice system, and it has to be a priority.

In our paper published last March—it was written by my hon. Friend the Member for Arundel and South Downs (Nick Herbert) and me and was entitled "Prisons with a Purpose"—we outlined our plans for the reform of the prison system and of the non-custodial sentencing system. At the heart of our paper was a section dealing with what we called "the rehabilitation revolution". We wanted to see far greater emphasis placed in the prison and non-custodial sentencing system on the rehabilitation of offenders—so that they do not reoffend. This is now largely uncontroversial—*[Interruption.]* The Minister of State, Ministry of Justice, the right hon. Member for Delyn (Mr. Hanson), says that it was before; it is just a question of getting on and doing it. He and his hon. Friends have had 10 years to do their best; we look forward to having an opportunity, if the electorate so decides.

I gave evidence to the investigation called by the Centre for Social Justice, which is chaired by my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), who asked Jonathan Aitken to produce a report on the current state of our prisons and what needs to be done to improve them. That report was published, Mr. Deputy Speaker, as you may know, earlier this week or over the weekend. I am happy to say that a good deal of what is in the document coincides with or is drawn from my own evidence to the investigation and from our document "Prisons with a Purpose".

The document produced by the Centre for Social Justice is a very big document, but it is worth reading. I am sure that both the Secretary of State and the Ministers of State have it on their reading list. *[Interruption.]* I am grateful to the Secretary of State. Irrespective of our party differences, there is a mine of information in it. Some of the conclusions arrived at will not surprise Ministers, but I hope that some of them perhaps will. The Conservative party's attitude to the criminal justice system has, if I may say so, taken—

Mr. Bellingham: A turn for the better.

Mr. Garnier: That is the expression used by my hon. Friend, and I would say that the truth that was always there has simply been revealed—but perhaps this is a distinction without a difference.

On judicial discretion, I am not asking for a judicial free-for-all. I have a proper understanding, I hope, of the sentencing exercise. I said it before in Committee and I will say it again now: sentencing is probably the most difficult thing that a judge has to do in the criminal justice system. Yes, judges—and magistrates, such as the right hon. Member for Cardiff, South and Penarth (Alun Michael)—have to consider issues of fact and of law, but I would suggest that the sentencing is the most difficult and complicated aspect of the work of the criminal courts. Yes, guidance from the Court of Appeal criminal division and from the Sentencing Guidelines Council, or the Sentencing Council, and indeed from Parliament is always helpful—indeed, more than helpful; it is very useful.

We accept that judges have to sentence within a range of sentences laid down by statute or by the guidance of the higher courts and by the Sentencing Guidelines Council. Where I think we—that is to say, the Government and the Conservative party—differ is on the tightness of the link between the sentencing guidelines and the independence of the judge or the magistrate to apply the sentence that is just in the case before him.

The right hon. Member for Cardiff, South and Penarth said today and in Committee that he was not so much worried by the sentencing of serious criminals who get the longer sentences; he was more concerned about the way in which low-level persistent offenders are dealt with. I think that he is right to have that worry, because unless we stop such people reoffending, they constitute a continual public nuisance. They are an expense, and they cause untold misery to the householders, owners of businesses, shopkeepers and so forth who are predominantly the victims of acquisitive crime committed with the aim of feeding a drug habit.

It seems to me—and I do not think that this is a novel opinion—that drug addicts commit crimes rather than criminals' becoming drug addicts, although my view is changing somewhat following the report on Wellingborough prison which was published this morning. Unfortunately, the findings in that report are not peculiar to Wellingborough. What Dame Anne Owers, the chief inspector of prisons, discovered about the incidence of drug taking, drug dealing and drug use in prisons is not restricted to that particular prison. There is not a single prison in England and Wales that does not have a drug problem to a greater or lesser extent.

Let us all agree that we want to reduce the incidence of reoffending. Let us all agree that Parliament has a perfect right, and indeed a duty, to set out the ranges of sentences for particular offences. Let us all agree that the Court of Appeal criminal division has a role to play, and that magistrates and judges should be given sufficient independence and discretion to enable them to do justice in the cases before them.

Although I understand what amendments 20 and 21 are about, I suggest that it is already covered by clause 103(11), and in particular by paragraph (d), which deals with

"the cost of different sentences and their relative effectiveness in preventing re-offending".

Although I listened with interest to what the hon. Member for Cambridge had to say, I am not sure that his concerns need to be translated into the Bill. However, Government amendments 143, 144, 146 and 148 move us into more interesting territory. Of itself, amendment 143 does not strike me as objectionable. It seems to say, while using slightly different words, what is currently said in subsections (1) to (4) of clause 104, which the Government intend to delete. Amendment 146, of itself, is not objectionable; on the face of it, the provisions that would replace clause 104(8) appear to be common sense. Amendment 148 simply refers to the offence range rather than the category of case, and is not of itself objectionable. Government amendments 149 and 150 follow on from the earlier amendments, and they, too, are not of themselves objectionable.

Nevertheless, I ask the Government to accept that without amendment 44—tabled by, among others, my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) and me—there is at least the possibility of an improper connection between money and justice. The amendment states

"Whilst the courts may have regard to the availability of correctional resources"

[Mr. Garnier]

—that is the jargon—

"for the avoidance of doubt the courts must not pass a sentence that is wholly determined by resource assessments which are expressly intended for the guidance of the Secretary of State in planning for and providing such custodial or community sentences as he advises Parliament, and it"

—Parliament, that is—

"considers, necessary in the light of such assessments."

When deciding what should be the maximum sentence for robbery, burglary, murder, rape or any other criminal offence, Parliament will need to understand that increasing the maximum sentence or providing a minimum sentence will cost a certain amount of money, and will require additional prison places, probation officers or other facilities to deal with the offenders concerned. Having understood that, however, and having decided on the basis of that information and advice what the appropriate maximum sentence, minimum sentence or range of sentences should be, Parliament should not descend into the courtroom, either directly or via the Sentencing Council, to tell judges precisely what to do. I believe that without amendment 44 or a similar provision, we shall be in danger of moving Parliament and the Executive into the courtroom in an improper constitutional fashion.

Amendment 43 is also connected with my fear that we are in danger of intruding in the courtroom in a way that I find wholly objectionable. It deals with what I call the "follow" or "have regard to" argument. As the law stands, sentencers are obliged to "have regard to" guidance from the Sentencing Guidelines Council, but are not obliged to follow it slavishly. That works well. While I accept that sentencers, be they magistrates or Crown court judges, must explain their reasons for acting outside a particular guideline in a particular case, I do not think that anyone has been surprised by, or unjustly dealt with by, judges having regard to or taking account of the guidance as opposed to following it. The Government, however, require judges and magistrates to follow the sentence advice in the guidelines—indeed, almost to cut and paste it into their sentences.

As I have said before, only the judge or magistrate has the facts of the case before him—the facts relating to the victim, and the facts or the local knowledge in relation to the effect of the crime on the local community; that is particularly true of magistrates—along with some understanding of the antecedents and the earlier life of the defendant or defendants before him or her. That, I suggest, renders the judge or magistrate best placed to deal with the sentence.

Mr. Hogg: Are not the local circumstances one of the most important considerations for a sentencing judge to take into account? A particular class of crime often becomes prevalent locally. In such circumstances, a sentencing judge may well consider it necessary to propose a sentence that is different from, and perhaps more severe than, the general category or bracket specified in the sentencing guidelines.

Mr. Garnier: My right hon. and learned Friend is entirely right. What he has said is doubtless based on his experience both as a Home Office Minister and as a practising member of the criminal Bar.

We all know from what happens in our constituencies, be they urban or rural, that certain crimes become fashionable from time to time. There may be an epidemic of house burglaries, of car crime or of drug retailing on the streets. The courts need to be able to deal with that in the way that is most appropriate to the locality concerned. The advantage of the administration of local justice through magistrates courts and Crown courts is that those courts can respond directly and immediately to local circumstances. It seems to me that, while the Sentencing Guidelines Council—and the Sentencing Council, as it will become following the Bill's enactment—have a role to play, they should not be allowed to overplay it, and to inhibit the sort of activities that my right hon. and learned Friend has described.

7.30 pm

Sir Alan Beith (Berwick-upon-Tweed) (LD): There is a danger in the approach implied in both the question and the answer. It is a twofold danger. First, in order to demonstrate that society will not put up with whatever may be happening in a locality, excessive reliance may be placed on the theory of deterrence and a sentence may be passed that does not have the deterrent effect that it was assumed it would have. Secondly, the process of signalling to society that the courts are not going to put up with the offence may draw them into prison sentences that are themselves ineffective. We should look for ways of making that sort of declaration that do not involve us in impractical sentences.

Mr. Garnier: I am grateful to the right hon. Gentleman for his intervention, but it is not a question of either/or—it is both/and. Local judges and magistrates should be able to take account of local conditions and from time to time deal with criminal campaigns through exemplary or extended sentences, but of course they want to be effective. Judges are not in the business of passing sentences that either are not obeyed, if they are community sentences, or that do not help to reduce reoffending. Unfortunately, some defendants are beyond education and understanding the effect of their offences. I say in parenthesis that I happen to be a great supporter of restorative justice, which the hon. Member for Cambridge mentioned, but it is vital that judges and magistrates should be allowed within a wide remit to conduct this most difficult exercise, which is to do justice to the defendant, society as a whole, the victim and the victim's family, and to play their part in the reduction of reoffending.

While I dare say the Government see themselves as entirely well motivated, they are being too dirigiste, statist and centralist in this aspect of criminal justice policy. Therefore, I urge them, even if they do not accept my amendments 43 and 44 today, to think rather more carefully. In any event, I will ask at the appropriate time, if I catch your eye, Mr. Deputy Speaker, to test the opinion of the House on amendment 43. . .

Mr. Neil Gerrard (Walthamstow) (Lab): I shall address my remarks to amendment 161. They follow on to some extent from some of the remarks made by the hon. and learned Member for Harborough (Mr. Garnier). He said that the measure includes the requirement that the guidance of the Sentencing Council be followed. On amendment 44, he talked about not wishing to allow resources to determine the sentence, but resources are key to what is happening.

Amendment 161 would amend clause 110. That clause requires the Sentencing Council to publish resource assessments in respect of its guidelines. In those resource

assessments, the council will be expected to say what it thinks the guidelines will do in respect of the demand for prison places, the resources that are required for probation provision and for the provision of youth justice services. The question is: once the Sentencing Council has produced those reports about resource assessments, what happens to them? There is nothing whatever in the Bill to indicate that the Government will have to pay any particular attention to them, yet they are key if the recommendations of the Sentencing Council on sentences are to be put into effect. Amendment 161 therefore says that the Secretary of State must monitor those resource assessments and, as far as he practically can, ensure that there are adequate resources to ensure that the guidelines produced by the Sentencing Council can be put into practice.

The concept of the Sentencing Council has been widely welcomed. I do not have any difficulties with it. Many people outside this place have welcomed it, but what will happen if the recommendations from the Sentencing Council go in a particular direction that the council itself says will impact on prison places and probation services? As the Minister knows, some of us have already told him we have concerns about the resources that are available now and will be available in the next two or three years to, for example, the probation service. Probation representatives are telling us that they are concerned about the effects of their current budgets on front-line services.

I give just one example. The special domestic violence courts were introduced in 2005-06. A domestic violence programme is focused on changing attitudes and the behaviour of participants in that programme. It teaches people non-controlling behaviour. Courses run for a few months and involve individual sessions, group sessions and relapse-prevention meetings. They seem to be the sort of courses that we want to support, but we hear that there are considerable waiting lists for people to get on them: the waiting times vary from 13 to 42 weeks, depending on the area. The maximum wait for getting on a course varies from 33 to 208 weeks. If we are saying that we expect a course to be effective, but there is a waiting time of four years for someone to get on it, that hardly suggests that we are matching the resources to the programme we believe would be effective. Those are the issues that need to be considered in bringing the new regime into effect.

I am not suggesting for one moment that it will be a simplistic exercise; it obviously is not going to be easy always to do this, but if we do not look at what the Sentencing Council has to say about the resource requirements, and we do not consider what can be done to provide those resources, we will end up with more examples like the one I have just cited. There will be recommendations to the courts about what they should do in respect of sentencing, and the court will follow those recommendations, but then we will find gaps in, say, the probation provision to make those sentences work. I hope that when he replies to the debate the Minister will address that point and look at what might be done to make that link between the recommendations and the resources that are needed to put them into effect.

Mr. Hogg: I rise merely to express my anxiety about this House creating a regime that is unduly prescriptive. I agree with my hon. and learned Friend the Member for Harborough (Mr. Garnier) that sentencing is one of the most difficult functions of the judiciary and it has been enormously complicated by the volume of legislation that we have passed over the past 10 years and, if one is honest, many years before that. For example, indeterminate sentences of imprisonment for public protection and extended sentences of various kinds are extraordinarily difficult for the judges to determine. My own feeling is that they are also largely unjust in their implication and I dislike them very much. I also feel that Parliament needs to be—

Mr. Straw: I do not think there has been sufficient time for a full evaluation of the effectiveness of IPPs, but I can say that, when I go around prisons, which I do regularly, I am struck by the difference in attitude between those prisoners who are on determinate sentences and those on IPP sentences. Those on IPP sentences have now got the message that they will not come out and they will be on a long licence unless they stop their propensity to offend. That must be a good thing for the public and a good thing for them.

Mr. Hogg: That is a fair point, but there is another way of looking at this. When there is an indeterminate sentence and the release date is ultimately dependent not on the trial judge but on those who are assessing whether the person constitutes a risk, the natural attitude of those who make that decision is to guard their own back, and the result can be that many people are held in prison much longer than the index for offences justifies and much longer than a proper assessment of the risk would also justify.

Mr. Garnier: I do not know how many prisons the Justice Secretary has been to since he took up this new post, but it is my experience from having been to about 50 prisons in the last three years that IPP prisoners are the most difficult for the Prison Service to manage. They remember the tariff, but they find it difficult to comprehend that they have an unending or an indefinite sentence. That is why they become fractious and that is why prison governors tell me—whether they tell the Secretary of State this, I do not know—that they are very concerned about the management of such prisoners. I appreciate that the Criminal Justice and Immigration Act 2008 adjusted the IPP minimum tariff, but it is a very troublesome sentence.

Mr. Hogg: I agree with that. Many years ago, when I was an Under-Secretary at the Home Office, I was responsible for trying to determine when it was proper to release people from the special hospitals. We used to get advice from doctors and others on the safety—or otherwise—of the particular prisoner or patient, and no doubt that is still the norm. It was extraordinarily difficult to make that judgment, and I am sure that many officials—and, I suspect, clinicians—were guarding their back, thinking of the criticism that would come in the national press were they to recommend the release of somebody who went on to commit a crime. I think this is true of IPPs and extended sentences, and I fear that lots of characters are being held in our prisons now because people are unwilling to take that chance. I think we have to take that chance, unless we are going to detain people for unconscionably long periods of time.

Sir Alan Beith: There is a further reason why some IPP prisoners are in prison for longer than they ought to be, which is that they cannot get on the necessary course to satisfy the conditions that would enable them to be released. That problem too tends to make them fractious, because they nurse a sense of grievance that the prison is preventing them from fulfilling those conditions.

Mr. Hogg: I think that that, too, is an important point, and I entirely agree with it. However, I shall move on from what is a somewhat narrow point—it might not even be within the scope of the amendment, but thank you, Mr. Deputy Speaker, for permitting that brief digression—and say that of course I accept that this House has to establish the appropriate brackets of the sentence. That is right; we have always done that, and we should continue to do so. However, my own view is that the imposition of sentences is very much a matter for the trial judge, guided by the appellate court. I think it is difficult to do justice unless we accept that the trial judge or trial magistrate is the person best placed to determine a sentence within the brackets established by Parliament. I therefore agree with my hon. and learned Friend the Member for Harborough that we should not put in statute the requirement that a judge should follow the guidelines set out by the council, hence my amendments. I believe the requirement should be that the judge take account of, but not feel obliged to follow, the prescriptive guidelines.

I accept that the council guidelines can bring about greater consistency. That is important, and to that extent I welcome the Bill's proposals. It is true that the council's guidelines—this is one of the points made by the hon. Member for Cambridge (David Howarth)—can bring to the notice of the judiciary sentences and alternatives that work, because not all judges go to all courses as assiduously as they should, and I have no doubt that the guidelines, the annual reports and the other material published by the council can inform the courts of what is available and what works.

I think, too, that it would be appropriate for the council's guidelines and other published material to set out the cost implications of various sentence options; that seems to me to be entirely right. I also think that the council guidelines should stress the importance of non-custodial sentences. Whenever I have been to prisons—like my hon. and learned Friend the Member for Harborough, I have been to a large number of them in my life, both as a barrister representing defendants and as Prisons Minister—I have been conscious of the very many people who are in prison largely because of their own inadequacy or an addiction, and who could probably be dealt with other than by being kept in custody.

7.45 pm

Confidence in the penal system is important. Confidence should be not just national but local, hence the intervention of my hon. and learned Friend, who said that areas often suffer an epidemic of certain classes of crime, and a local judge may well form the view that a particular approach to sentencing is right given the particular local circumstances. I shall be very sorry indeed if the guidelines regime precludes a judge taking that local approach.

May I make one further point, which will be deeply unpopular, especially to the hon. Member for Cambridge, and which will probably nowadays be regarded as deeply politically incorrect? I do not believe that the criminal justice system should be primarily focused on the victim. I get very concerned when I hear people say that the victim's interests are paramount. I do not believe that. I think that the purpose of the criminal law is to do justice, and that does not necessarily mean following either the wishes or the interests of the victim. The interests, or at least the plight, of the victim must be taken into account; the victim is very often a witness and needs to be treated with great courtesy, be kept fully informed and be made aware of all relevant decisions. But actually the criminal law is seeking to create a system of punishment, deterrence, retribution and ways and methods of avoiding the repetition of crime. That is not about the victim, and the anxieties and distress of the victim can often cause judges to do things that are not right. When there are victim statements and so forth in court, I personally regard that as an irrelevance. That is not a popular view, and it is probably not shared by many Members. However, I strongly feel that we need to distinguish between the courtesies and respect that one owes to the victim and the fundamental purpose of the criminal law, which is to administer the interests of the state, and not necessarily to reflect the interests of the victim.

John McDonnell (Hayes and Harlington) (Lab): I rise to support amendment 161, which stands in the name of my hon. Friend the Member for Walthamstow (Mr. Gerrard) and which I have also signed. Let me explain the background to this amendment, because I know that some Members have argued it may be irrelevant.

Amendment 161 arises out of discussions with the trade union group that brings together the various trade unions representing workers in the justice field. The issue that arose time and again is that when Government wields the end, they should also wield the means. The amendment is in some respects intended to assist the Secretary of State in arguments with other Departments, and possibly the Treasury itself, because there has been a consistent pattern in the justice sector in this House: many Members have welcomed various approaches by the Government, particularly the development of sentencing policy—and innovative sentencing policy—but we have had difficulty extracting additional resources. Although there has been a significant increase in resources in this field, it has not matched the level of demand. That was demonstrated in the report by the Centre for Crime and Justice Studies published in December, which showed an increase in resources, but also a massive increase in demand and work loads. This legislation will develop the Sentencing Council and enable it to set out various guidelines, but unless the resources are made available we will pass legislation that will have limited effect—in fact, it could cause more frustrations within the justice system and therefore be less beneficial.

I shall give one example, which has become crucial in recent months. We have met the Secretary of State, and the National Association of Probation Officers, the trade union representing probation officers, has undertaken a survey. It demonstrates that as a result of a reductions exercise—a savings exercise—that is going on, a large number of staff are losing their jobs. We were hoping that this would not involve front-line staff, but it looks

as though it will. The situation means that probation officers are having to ponder a quandary when they go before a court and recommend, as a part of their report, a particular approach on sentencing, be it a community sentence, a prison sentence or a particular innovative sentence—I am thinking particularly of sentences associated with restorative justice. They are having to consider whether they should be advising the court, in their professional capacity, that although a given approach might be the best course of action, the resources are not available, particularly within their locality, to implement the sentence. That puts an onus on the probation officer that causes them a considerable dilemma.

Amendment 161 seeks to remind the rest of government, as much as this Secretary of State, that if we are to develop the Sentencing Council and it is to be effective, we must ensure, as the amendment says, that as "far as reasonably practicable" the resources "are made available". If we do not do that, we will undermine the credibility of this part of this Bill, which we, across the House, have supported. Even if we do not press the amendment to a vote, I urge the Government at least to take the spirit of the amendment back in their discussions with other Departments, in particular the Treasury. If we will the ends, we must will the means, and if we do not do so in this instance, we will undermine the credibility of this legislation.

Mr. Straw: This debate has been very interesting and well informed, and I shall try to conclude it in that spirit. It might be helpful if I were first to give some background to the proposals in the Bill for a Sentencing Council—I claim some authorship for those. In the mid-1990s, there was, as those of us who were in the House at the time will recall—a number are present on the Labour Benches—concern about the unrelenting rise in crime that had taken place under the Conservatives. Hon. Members may recall that recorded crime doubled between 1980 and 1995. The Conservative campaign guide of 1994 sought to point out that although recorded crime had risen, crime as calculated by the chosen measure of the Conservative Government—the British crime survey, which they had established—had risen by "only 50 per cent." Both sets of data were true, but even a 50 per cent. rise was alarming.

Thus, following the appointment of the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) as Home Secretary in 1993, there was a big shift in the penal policy of the Conservative Government against what he regarded as the liberal and wet approach conducted by all his Conservative predecessors with, probably, the single exception of Lord Waddington; there was great concern about increasing the number of prison places and much else besides.

One of the things that I examined at the time was the question of consistency in sentencing. With great assistance from the statisticians in the House of Commons Library, I published a paper in 1996 called "Honesty, Consistency and Progression in Sentencing", and its conclusions found their way into the Labour manifesto and then into the Crime and Disorder Act 1998, which was piloted through this House by my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael). I proposed a modest change: that a sentencing advisory panel should be established. He will recall how tentative we were about moving into territory that previously had been within the exclusive ambit of the judiciary.

What the data that the House of Commons Library statisticians had produced and that I had published showed was that there was no necessary connection between crime levels—or the rates of growth or decline in crime—and local sentencing rates, be they the custody levels, the proportion of offenders sentenced to custody, or average sentence lengths. Of course I accept what both the hon. and learned Member for Harborough (Mr. Garnier) and the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said about the fact that the court has to have discretion for all sorts of reasons, not the least of which is that there may be what the hon. and learned Gentleman has described as a local "epidemic" of crime and the court may wish to set out imperatives as to why that is not acceptable locally—no one argues about that. The argument is about areas where there are apparently random differences in sentencing that bear no direct relationship either to local crime levels or to reoffending rates.

What I was seeking to do was better to inform the sentencing process, without encroaching on the necessary independence and discretion of sentencers, so we established the Sentencing Advisory Panel. As a result of a major study into sentencing, which I got going towards the end of my period as Home Secretary, which my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett) continued and which reported in 2001-02, we then had the Criminal Justice Act 2003—it established the Sentencing Guidelines Council. More recently, in the light, not least, of the pressure on prison places, the Carter inquiry was established and it reported in early December 2007.

Alongside Lord Carter's report was published further statistical evidence called "Local Variation in Sentencing in England and Wales". It was produced by my Department, but it never got quite the attention that it deserved—I say that because it contains extremely interesting data. It looks at the variations in custody rates, average sentence lengths and the use of determinate and indeterminate sentences. It showed that all those things varied "significantly" across the 42 criminal justice areas in England and Wales. It also suggested:

"The range in custody rates in magistrates' courts and ACSLs"—

average custodial sentence lengths—

"in the Crown Court narrowed between 2003 and 2006, suggesting that sentencing practice became more consistent across the CJAs over this period."

I suggest that that was partly as a result of the work of the Sentencing Guidelines Council.

The document also suggested that there was little in the way of linkage, stating:

"Variation in sentencing amongst the CJAs was not well explained by local crime rates, although there was a weak relationship between recorded crime rates and magistrates' court custody rates for theft and handling stolen goods offences."

It continued:

"No statistically significant relationships existed between changes over time of recorded crime and sentencing in magistrates' courts and Crown Court centres by CJA."

Against the background of the relative partial success of the Sentencing Advisory Panel and the Sentencing Guidelines Council, Lord Carter recommended that I should establish a judicially led working group to look more closely at whether we could have better machinery for advising and guiding the judiciary on sentencing.

[Mr. Straw]

Lord Justice Gage kindly accepted the invitation to chair this sentencing commission working group, and his report was produced late last year.

What I sought to do is to replicate, of course in more detail, the key recommendations of his report. I note what the hon. and learned Member for Harborough said about the need for proper judicial independence, but he also said that we had to avoid a judicial free-for-all. I have said very much the same thing and I made it clear in my statement on 5 December 2007 on Carter. I assume that the hon. and learned Gentleman knows Lord Gage and many of the other distinguished members of the working group, so he will know that they would not have made the recommendations if they thought that they would fetter the proper discretion and independence of the judiciary.

8 pm

We have tabled amendments 143 to 146 to clause 104 and amendment 148 to clause 108 because those provisions were criticised in Committee—*[Interruption.]* I welcome the hon. Member for Mid-Sussex (Mr. Soames) to the Opposition Front Bench. It is good to have him here to listen to this important debate. We have responded to the criticism that was made on both sides in Committee that the original provisions were too dirigiste. Therefore, clause 104 will no longer make it a requirement on the Sentencing Council to subdivide all offences into categories of offence, but it will have the discretion to do so. If it does, we invite it to subdivide the offence categories in much the same way as they are currently subdivided. We also make it clear that aggravating and mitigating factors can be related to the offender as well as to the offence, and that is the important effect of amendment 144.

Clause 108 sets out the duties of the court in respect of the sentencing guidelines to be found in clauses 103 and 104. Here, too, we have sought to add greater flexibility to the system. Generic offences such as burglary, robbery and theft cover a range of behaviours and, therefore, the Sentencing Guidelines Council has subdivided them into categories. Where they are divided and there are aggravating or mitigating factors, they can be within the overall range of the guidance for the offence and not just in that particular category of offence, I suggest to the hon. and learned Member for Harborough that that will give sentences a considerable degree of flexibility.

The hon. and learned Gentleman suggested that he would divide the House on amendment 43. Currently, the council will be asked to follow sentencing guidance and he suggests that instead it should "have regard" to it. Those words are in the 2003 Act. I was abroad at the time, so I claim no authorship and I cannot remember whether the Opposition thought that it was wonderful. In any event, especially in the area of the law, we have to learn from experience. The hon. and learned Gentleman would not suggest that the criminal justice process or law is fixed in the concrete in which it was embedded back in 1997—at least I hope not.

Mr. Garnier: Of course not. Lord Justice Gage very kindly invited me and the right hon. Member for Knowsley, North and Sefton, East (Mr. Howarth)—who was also a member of the working party—to a briefing by him last summer, just before publication of his report. He made it clear that he was not producing a grid, or Minneapolis, system, and it was clear that he intended there to be a fair degree of discretion. However, what he told us then is not exactly replicated in the word "follow".

Mr. Straw: It is common ground that none of us wants a Minneapolis system or any other kind of American grid system, and that is not proposed. The Gage report said:

"A majority of the Working Group"—

the chairman was part of that majority—

"recommends that the test for departures from the guidelines be made more robust by providing that the court may only pass a sentence outwith the guidelines if it is of the opinion that it is in the interests of justice to do so. A minority of the Working Group recommends that there should be no amendment to the statutory tests contained in the Criminal Justice Act 2003."

Earlier in the report, the working group considered the responsibilities that should be imposed on the Sentencing Council, but—critically—the reader is referred to annexe C where the working group proposes a change to sections 172 and 174 of the 2003 Act. The working group suggests the wording:

"Every court must…in sentencing an offender, apply any guidelines which are relevant to the offender's case unless it is of the opinion that it would be contrary to the interests of justice to do so".

The draftsman of the Bill has, as faithfully as possible, replicated that recommendation, so clause 108(1)(a) states:

"Every court must…in sentencing an offender, follow any sentencing guidelines which are relevant to the offender's case unless…the court is satisfied that it would be contrary to the interests of justice to do so".

There are better lawyers than me here, but I defy anybody to explain what is the difference between "must apply" and "must follow".

Mr. Garnier: What the courts have been doing since the 2003 Act is apply the guidelines by taking account or having regard to them. If the Secretary of State is reducing this debate to a semantic discussion about the meaning of the word "follow", we have been wasting our time. I have a suspicion that "follow" means something more directional than "take account of".

Mr. Straw: It is the hon. and learned Gentleman who has made it a semantic debate, because he tabled amendment 43, which proposes that "follow" be replaced by "have regard to". There is a difference, and although I am not in favour of casuistry, I am in favour of semantics, because words are all we have, and they have meaning. There is a difference between "have regard to" and "follow" or "apply". My point is that in clause 108(1)(a) we are seeking to apply or to follow—not have regard to—what Lord Justice Gage and his colleagues explicitly recommended.

They wanted a closer connection between the guidelines and what the courts were doing.

I remind the hon. and learned Member for Harborough and the right hon. and learned Member for Sleaford and North Hykeham of two things. First, the changes proposed in the other Government amendments that I moved offer considerably more flexibility than the arrangements in the original Bill, as the hon. and learned Gentleman correctly suggested in Committee. Secondly, there is a very clear exception for the courts. Judges in

court have great flexibility to refer to the whole of the sentencing guidelines when they judge that aggravating and mitigating factors make that appropriate. If they think that a sentence is outwith those guidelines, they are entitled to pass it if they believe that it would be contrary to the interests of justice to stay within the guidelines.

Mr. Hogg: Does the Secretary of State accept that, when he advocates the use of the word "follow", he is giving judges less discretion than they would have if the amendments tabled by my hon. and learned Friend the Member for Harborough (Mr. Garnier) and me were accepted?

Mr. Straw: I accept that to a degree, although there is not much difference. I am seeking to implement what Lord Justice Gage recommended when he pointed out that most of the working group had said that the test for departing from the guidelines should be made "more robust". The people making that recommendation are not inexperienced in these matters.

David Howarth: That is something different, not "follow".

Mr. Straw: The hon. Member for Cambridge says that that is not "follow", but something different. I say to him that it is "follow", but the suggested alteration to the current section 172 of the Criminal Justice Act 2003 uses the verb "apply" rather than "follow". I am perfectly happy to trade "follow" for "apply" because I do not know what the difference between those words is. I believe that they amount to the same thing.

First, and above all, the Government are trying to ensure respect and proper protection for the independence and autonomy of sentencers when they pass their sentences. That is critical: we need to provide considerable discretion, but we must also ensure that that discretion is exercised in a structured way that the public and other sentencers can understand. We are not fettering the judiciary, but we are saying that there should be a carefully moderated body of guidance. That guidance will be moderated by the process of drafting by the Sentencing Council and by the consideration that it will be given—not in the partisan bear pit of the House of Commons but in the more bipartisan Justice Committee.

When the guidance is finally endorsed by the Sentencing Council, perhaps following amendment, it will become the framework that sentencing judges and magistrates will be expected to follow. It will give them a great deal of flexibility, although they will have to make judgments about the starting point. For example, the existing robbery matrix offers considerable flexibility. Judges and magistrates have to make judgments about additional aggravating and mitigating factors—they can decide that those factors cover the whole of the range laid down for a sentence and not just one category of case within an offence range—and they can depart from the whole thing, if they consider that to be necessary and in the interests of justice. My hope is that we shall end up with greater consistency, which would be in the interests of justice, and of the public.

8.15 pm

The right hon. and learned Member for Sleaford and North Hykeham made an interesting point about whether victims—and, by implication and to a degree, the public—had a role in the criminal justice system. I have great respect for the right hon. and learned Gentleman, who paid me the honour yesterday of supporting—

Mr. Hogg: I was his only friend!

Mr. Straw: He was not quite my only friend, but they were few and far between. I was very grateful for his support, not least for where it came from and the level of information that lay behind it.

The right hon. and learned Gentleman's view that victims do not have a proper role in the criminal justice system is, however, one that I respect but disagree with profoundly. One reason for our success in raising the confidence of those who experience the criminal justice system very considerably over the past dozen or so years—and it is also a factor in ensuring that, far from rising by 50 per cent., the level of crime as measured by the British crime survey actually went down by 39 per cent.—is the fact that we have sought to place the victim at the heart of the system. I am unapologetic about that.

My hon. Friends the Members for Hayes and Harlington (John McDonnell) and for Walthamstow (Mr. Gerrard) mentioned resources. If I may, I invite them not to press their amendment to a vote, but I accept the burden of the argument—that on a number of occasions Parliament has been invited to endorse new approaches to sentencing, only to find that the resources have not been made immediately available.

As a response, the Government have inserted proposals in the Bill that amount to virtually the same thing as amendment 161. Clauses 110 to 115—but, in this respect, clause 115 is the most important—contain duties placed on the Sentencing Council to assess the

"impact of policy and legislative proposals"

I accept that when enthusiastic Ministers—and I can claim to have been one on a number of occasions—have bright ideas about new sentences, those bright ideas need to be checked for their effectiveness and for their cost. When we seek to translate those ideas into legislative form, we must also be able to tell Parliament where the money will come from.

Jeremy Corbyn (Islington, North) (Lab): This is an admission of past mistakes.

Mr. Straw: My hon. Friend the Member for Islington, North (Jeremy Corbyn) is muttering, but I am afraid that I cannot hear what he is saying as I am deaf in that ear. However, I shall give way, if that is what he wants.

Jeremy Corbyn: Since the Minister invites me to join in, I can tell him that I was just wondering whether what he was saying was an admission of some past mistake about which more should be told.

Mr. Straw: I am full of past mistakes—

Mr. Garnier: We are suffering from them.

Mr. Straw: The hon. and learned Member for Harborough says that we are suffering from them, but I was about to say that my mistakes pale into insignificance when compared with the triumphs of this Administration, of whom I have been an adornment.

Mr. Andrew Robathan (Blaby) (Con): Name the triumphs!

Mr. Straw: Another hon. Gentleman on the Opposition Front Bench asks me to name the triumphs. I could name a number of them, but I shall name just one. According to the Conservative campaign guide of 1994, crime rose by 50 per cent. between 1979 and 1994. Under this Labour Government, crime has fallen by 39 per cent., which makes this the first Government since the war to achieve a fall in crime.

Alun Michael: Will my right hon. Friend bear it in mind that part of that success was due to giving the youth justice system a clear purpose to reduce offending and reoffending? Will he deal with the amendments suggesting that the Sentencing Council should be given similar clarity of purpose?

Mr. Straw: I am glad that my right hon. Friend intervened with that remark, because it brings me to my last point. This is a parliamentary debate, and it is a good process. When I looked at the provisions on the Sentencing Council, I was a little surprised—even though I claim authorship of them—to find that although the purpose of the Sentencing Council was embedded in the clauses, it was not explicitly stated. Its purpose is to issue sentencing guidelines. I am happy to consider what my right hon. Friend has suggested, and to consider whether it would not be appropriate specifically to mention the importance of victims in clause 103(11), where we set out the matters to which the council must have regard. At the moment, we mention in subsection (11)(c)

"the need to promote public confidence in the criminal justice system";

by implication, that includes victims, but they are not mentioned explicitly. I promise my right hon. Friend that I will examine both those matters before, and during, the Bill's passage through the other place.

Alun Michael: Does my right hon. Friend accept that the interests of victims are specifically linked to the reduction of offending and reoffending?

Mr. Straw: I absolutely do. I hope that I have satisfied the hon. and learned Member for Harborough in respect of amendment 43. If he reads Gage, he will see that what we are doing is entirely consistent with that report.

David Howarth: I will be brief, but perhaps I should first gently point out to the Secretary of State that crime has fallen in every western European country since 1995, except Belgium, so his claims for the unique success of his policy are a little odd.

I draw the Secretary of State's attention to what the hon. Members for Hayes and Harlington (John McDonnell) and for Walthamstow (Mr. Gerrard) said about the problems in the probation service, which mean that no matter what is said in this place, certain sentences will not be available to the courts. Probation officers will have to tell the courts that some sentences are not available in the area. The ideal is what is proposed by the Conservatives in amendment 44, which deals with the relationship between total resources and sentences. However, in reality, if the resources are not provided, we end up with the position that the hon. Member for Hayes and Harlington talked about.

I am in a bit of a dilemma on amendment 43, although the discussion between Labour and Conservative Front Benchers about the meaning of "apply", as opposed to "follow", helped me to conclude that there is not much difference between what they said. However, to the extent that the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) is correct, and that what the Government propose is meant to be slightly more restrictive than what the Conservatives propose, I come down, in the end, on the Government's side. That is not because I agree with what they are doing in the Bill, which is to say that we should follow guidelines that are mainly still about punition and the seriousness of the offence.

In an ideal world, the guidelines would say more about reducing reoffending and would be properly designed to draw the courts' attention to sentences that they would otherwise probably not impose. The right hon. and learned Member for Sleaford and North Hykeham is absolutely right: judges are not fantastically well informed about criminology, although perhaps they ought to be. In that ideal world, the guidelines should be followed, because it would mean that judges had to think about other sentences, and would have to give reasons before moving from them towards a more traditional, comfort-zone sentence.

On the amendments that I tabled, I was glad to hear what the Secretary of State said right at the end of his remarks; I take what he said to the right hon. Member for Cardiff, South and Penarth (Alun Michael) to have been said to me, too, because we signed the same amendments. On the basis that the Secretary of State will consider what we said, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 104

SENTENCING RANGES

Amendments made: 143, page 62, line 2, leave out subsections (1) to (4) and insert—

'(1) This section applies to sentencing guidelines relating to a particular offence.

(2) The guidelines must, if the Council considers it appropriate given the nature of the offence, describe, by reference to one or both of the factors mentioned in subsection (3), different categories of case involving the commission of the offence which illustrate (in so far as it is possible to do so by reference to those factors only) the varying degrees of seriousness with which the offence may be committed.

(3) Those factors are—

(a) the offender's culpability in committing the offence;

(b) the harm caused, or intended to be caused or which might foreseeably have been caused, by the offence.

(4) The guidelines must—

(a) specify the range of sentences ("the offence range") which, in the opinion of the Council, it may be appropriate for a court to impose on an offender convicted of that offence, and

(b) if the guidelines describe different categories of case under subsection (2), specify for each category the range of sentences within the offence range which, in the opinion of the Council, it may be appropriate for a court to impose on an offender in a case which falls within the category.

(4A) The guidelines must also—

(a) specify the sentencing starting point in the offence range, or

(b) if the guidelines describe different categories of case under subsection (2), specify the sentencing starting point in the offence range for each of those categories.'.

144, page 62, line 29, at end insert 'or the offender'.

145, page 62, line 42, leave out from first 'the' to end of line 43 and insert 'offence range.'.

146, page 62, line 44, leave out subsection (8) and insert—

'(8) The sentencing starting point in the offence range—

(a) for a category of case described in the guidelines under subsection (2), is the sentence within that range which the Council considers to be the appropriate sentence for cases within that category—

(i) before taking account of the factors listed in the guidelines under subsection (5), and

(ii) assuming the offender has pleaded not guilty, and

(b) where the guidelines do not describe categories of case under subsection (2), is the sentence within that range which the Council considers to be the appropriate sentence for the offence—

(i) before taking account of the factors listed in the guidelines under subsection (5), and

(ii) assuming the offender has pleaded not guilty.'.—*(Bridget Prentice.)*

Clause 108

SENTENCING GUIDELINES: DUTY OF COURT

Amendment proposed: 43, page 65, line 12, leave out 'follow' and insert 'have regard to'.—*(Mr. Garnier.)*

Question put, That the amendment be made.

The House divided: Ayes 134, Noes 319.

Division No. 85] **[8.25 pm**

AYES

Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brazier, Mr. Julian
Browning, Angela
Burns, Mr. Simon
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Clark, Greg
Clarke, rh Mr. Kenneth
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Fabricant, Michael
Field, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Howarth, Mr. Gerald
Howell, John
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jones, Mr. David
Key, Robert
Kirkbride, Miss Julie
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Mackay, rh Mr. Andrew
Main, Anne
Maples, Mr. John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Viggers, Sir Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Willetts, Mr. David
Williams, Hywel
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Bill Wiggin and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John

Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farron, Tim
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goldsworthy, Julia
Griffith, Nia
Gwynne, Andrew
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Heath, Mr. David
Hemming, John
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, rh Mr. Adam
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Oaten, Mr. Mark
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, David
Teather, Sarah
Thurso, John
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mark
Williams, Mr. Roger
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Chris Mole and Claire Ward

Question accordingly negatived.

Amendments made: 147, page 65, line 19, leave out 'Subsection (3) applies' and insert 'Subsections (3) and (3A) apply'.

148, page 65, line 27, leave out paragraphs (a) and (b) and insert—

'(a) where the offence-specific guidelines describe categories of case under section 104(2), to decide which of the categories most resembles P's case in order to identify the sentencing starting point in the offence range, and

(b) in all cases, to impose on P in accordance with the offence-specific guidelines a sentence which is within the offence range.

'(3A) In a case where a decision is made under subsection (3)(a), the range of sentences specified in the guidelines under section 104(4)(b) for the category concerned is to be disregarded when determining whether the court has discharged the duty imposed by subsection (1).'.—*(Bridget Prentice.)*

Clause 119

INTERPRETATION OF THIS CHAPTER

Amendments made: 149, page 70, line 40, at end insert—

'"the offence range" has the meaning given by section 104(4)(a);'.

150, page 71, line 11, at end insert—

'"the sentencing starting point", in relation to the offence range, has the meaning given by section 104(8);'.—*(Bridget Prentice.)*

New Clause 12

SPECIAL COUNSEL IN PROCEEDINGS CONCERNING WITNESS ANONYMITY ORDERS

'(1) On any application for a witness anonymity order, the court must consider whether the appointment of special counsel to assist the court in deciding whether to grant the order would contribute significantly to the fairness of the proceedings, and must apply to the Attorney General for the appointment of such counsel if it decides that such an appointment would so contribute.

(2) No witness anonymity order may be granted where the court has applied to the Attorney General for the appointment of special counsel under subsection (1) until the Attorney General makes such an appointment, and if the Attorney General refuses to appoint special counsel on such an application by the court, the application for the witness anonymity order shall be refused forthwith.'.—*(David Howarth.)*

Brought up, and read the First time.

David Howarth: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following:

New clause 13—*Effect of order on disclosure obligations*—

'A witness anonymity order takes precedence over any obligation of a prosecutor to disclose material to the defence, and, accordingly, no such obligation shall require a prosecutor to reveal the identity of the witness or information that might enable the witness to be identified.'.

Government amendment 142.

Amendment 155, clause 63, page 37, line 16, leave out '(8)' and insert '(8A)'.

Amendment 141, page 37, line 40, at end insert—

'(8A) The condition in this subsection is that the Director of Public Prosecutions has given his consent to the application.'.

Amendment 58, clause 71, page 41, line 20, at end insert

'and must be made as early as is reasonably possible.'.

Amendment 140, page 42, line 5, at end insert—

'(7A) The court has the power to appoint special counsel to represent the interests of the defendant in his or her absence, if it appears to the court to be appropriate to do so in circumstances of the case.'.

Amendment 59, page 42, line 7, at end insert—

'(9) For the purpose of considering an application for a witness anonymity order the court may appoint an independent counsel to assist the court and, without limiting the directions that the court may make, the court direct the independent counsel—

(a) to enquire into the matters that are set out in sections 72 and 73 and any other matter that the court may deem relevant, and

(b) to report his findings to the court.

(10) Where an independent counsel has been appointed, the party who applied for a witness anonymity order shall make available to the independent counsel all the information that is relevant to the proceedings that is in the possession of that party.

(11) Where an independent counsel has been appointed, provision shall be made by order for the fees for the professional services of the independent counsel together with reasonable expenses to be determined and paid from money appropriated by Parliament for that purpose.'.

Amendment 60, clause 72, page 42, line 11, leave out 'satisfied' and insert 'sure'.

Amendment 61, page 42, line 11, leave out 'C' and insert 'D'.

Amendment 160, page 42, line 15, leave out 'serious damage to property' and insert

'damage to property serious enough, either in itself or cumulatively (taken with other threats to property or to the welfare of persons), for a reasonable person with the resources of the witness to be intimidated into refusing to give evidence'.

Amendment 62, page 42, line 19, leave out subsection (4) and insert—

'(4) Condition B is that the making of a witness anonymity order would not deprive the defendant or (where there is more than one defendant) any defendant of a fair trial.'.

Amendment 63, page 42, line 23, after first 'not', insert

'and could not reasonably be expected to'.

Amendment 64, page 42, line 25, at end insert—

'(5A) Condition D is that there is no reason to believe that the witness has a motive or a tendency to be dishonest, having regard to all the circumstances of the case and (where applicable) to the witness's previous convictions or the witness's relationship with the defendant or if more than one with any defendant, of any associates of the defendant or if more than one, any defendant or with any witness to be called in the proceedings and to any other consideration that may be relevant to the issue as the court may think appropriate.'.

Amendment 19, page 42, leave out line 30 and insert—

'(b) that there would be damage to property serious enough, either in itself or cumulatively (taken with other threats to property or to the welfare of persons), for a reasonable person with the resources of the witness to be intimidated into refusing to give evidence,'.

Amendment 65, clause 73, page 42, line 33, leave out 'C' and insert 'D'.

Amendment 66, page 42, line 39, at end insert—

'(aa) the principle that witness anonymity orders are justified only in exceptional cases;'.

Amendment 67, page 42, line 39, at end insert—

'(aa) the gravity of the offence;'.

Amendment 68, page 42, line 42, at end insert

'and whether there is other evidence that corroborates the witness's evidence'.

Amendment 69, page 43, line 6, leave out paragraph (e).

[Madam Deputy Speaker]

Amendment 70, clause 75, page 43, line 44, at end insert—

'(6) For the purposes of considering whether to discharge, vary or further vary the order the courts may appoint an independent counsel to assist the court and, without limiting the directions that the court may make, the court may direct the independent counsel—

(a) to enquire into any matter that may be relevant to any issue set out in subsections (1) and (2), and

(b) to report his findings to the court.

(7) Where an independent counsel has been appointed, the party who applied for the order to discharge or to vary or further vary the existing order must make available to the independent counsel all the information in relation to the proceedings that is in the party's possession, and where the court is acting on its own initiative the independent counsel shall be provided with all such information as the court may think appropriate.

(8) Where an independent counsel has been appointed, provisions shall be made by order for the fees for the professional services of the independent counsel together with reasonable expenses to be determined and paid from money appropriated by Parliament for that purpose.'.

Amendment 71, clause 77, page 45, line 9, at end insert—

'(4A) For the purposes of considering whether to discharge or vary the order the appeal court may appoint an independent counsel to assist the appeal court and, without limiting the directions that the appeal court may give, the appeal court may direct the independent counsel—

(a) to enquire into any matter that may be relevant to any issue as is set out in subsection (2), and

(b) to report his findings to the appeal court.

(4B) Where an independent counsel has been appointed, the appeal court may direct that the independent counsel shall be provided with such information as the appeal court shall deem appropriate.

(4C) Where an independent counsel has been appointed, provisions shall be made for the fees of the independent counsel together with reasonable expenses to be determined and paid from money appropriated by Parliament for that purpose.'.

Government amendment 131.

David Howarth: We come to the anonymous witnesses part of the Bill. Members will recall that the anonymous witness provisions in the existing law passed through the House in one day last year, and through the other place in two days. At that point, we were promised proper consideration of the provisions in a full debate, in a full Bill. We are now left with a Report stage, effectively on that Bill, of 21 minutes, which is entirely unsatisfactory.

Let me go through three of the main problems that subsist in the provisions. The first is dealt with by new clause 12; it is that the Government have resisted putting in the Bill the mechanism under which independent or special counsel are brought in to advise or help the court as it decides whether to make a witness anonymity order. One of the problems is that an anonymous witness might be prejudiced against the defendant in a way that would become clear only if the defence were able to cross examine them with the benefit of knowing who they were. The person might seem to be only a witness to some external fact in the world at the time of the crime—to something that they saw or heard, rather than to what they thought the defendant did or said. The issue of possible prejudice against the defendant might not be obvious at the time, but that person—even if apparently only a witness to an external event—might turn out to be associated with an enemy or rival of the defendant.

In such circumstances, making a witness anonymity order might well be the wrong thing to do, but that point would not come out unless someone other than the prosecution had access to all the papers and could ask pertinent questions. Given the circumstances, that job clearly could not be done by the defence; that raises the possibility and in many cases the necessity of appointing special counsel to assist the court to do it.

In addition, there might well be cases in which the judge was uncertain whether to grant an order, because the status and credibility of the witness were unclear. In such a case the judge might be tempted to deny a witness anonymity order when further inquiries by independent counsel would have revealed that there was nothing to worry about. In such a case, independent counsel would strengthen the case for such an order.

I am not claiming that special counsel should be appointed in all cases. In the Mayers case, the Lord Chief Justice said that there were cases in which special counsel would help and cases in which they would not. The test that I suggest in new clause 12 for the appointment of special counsel is based on the words of the Lord Chief Justice in that case:

"whether the appointment of special counsel...would contribute significantly to the fairness of the proceedings".

All I suggest is that the appointment of special counsel should be thought about—no more than that—in every case.

New clause 12 also deals with a possible problem with how the system works now. Special counsel are not appointed by the court, but by the Attorney-General after an application from the judge. So far, special counsel have always been appointed when requested, but what happens if the Attorney-General refuses? There is no provision for that situation, but new clause 12 settles the matter by saying that if the judge asks for special counsel and the Attorney-General delays or refuses, there cannot be a witness anonymity order at that time.

The second problem is more technical and is dealt with by new clause 13. It is the problem of what happens in multiple-defendant cases when a defendant, rather than the prosecution, asks for a witness anonymity order. The Bill says that the other defendants should not discover the identity of the witness, but adds that the defendant has to tell the prosecution the identity of the witness. The problem is that the prosecution have duties of disclosure to the other defendants and it is possible that the identity of the witness, who was supposed to be anonymous, would be revealed indirectly to the other defendants via the prosecution's duties to disclose. Nothing in the relevant legislation—the Criminal Procedure and Investigations Act 1996—definitively rules out that possibility. In Committee, the Minister said that there was no problem because the witness anonymity order took precedence over any duties to disclose, but nothing in the Bill says that and new clause 13 simply puts into it what the Minister said in Committee.

The third problem identified in Committee has resulted in amendments 160 and 19. It is the problem of what to do about cases in which the witness is not threatened

with personal injury—there is no threat to life or limb—but there is a threat to property not linked to such injury, such as a threat to burn down a lock-up shop or to damage a parked car.

8.45 pm

The debate in Committee was initially about whether property damage should be included at all. There are doubts about whether property threats that are entirely separate from threats of personal injury meet human rights standards. As the debate developed, however, it became clear that there were plausible circumstances on particular estates where such threats, in combination with a general atmosphere of threat and intimidation, would be all too effective in intimidating potential witnesses. The issue then became how the Bill dealt with that problem and whether it properly captured the real-life situation. The Bill as it stands simply talks about serious damage to property, but the question is what that means. Does it mean merely expensive property? If the test relates merely to how valuable the property is, it would tend to favour rich witnesses over poor ones. In any case, that test is not related to the main issue, which is intimidation, not the seriousness of the damage in terms of the value of the property.

Amendments 160 and 19 are tabled in a spirit of compromise to try to clarify the situation. They suggest that the threat to property counts as serious enough if it means that a reasonable person in the position of the witness is intimidated into not giving evidence. The seriousness of the damage to the witness's property would be judged in terms of their resources, so that damage to the modest property of an impoverished witness would be taken more seriously than damage to the valuable property of a very rich witness.

Dr. Evan Harris: I want to let my hon. Friend know that in our report, the Joint Committee on Human Rights is wholly with him on what he has said on having, if not statutory clarification, at least guidance on the threshold of what serious damage to property is on human rights grounds, and on the need for special counsel.

David Howarth: I thank my hon. Friend for that news. I do not wish to take up more than half the time on Report for this very important matter, so I will now sit down.

Mr. Garnier: I will be brief, because we are really up against the knives. I fully endorse what the hon. Member for Cambridge (David Howarth) said about the restricted timetable. I would repeat what I said yesterday, when we had an even more egregious example of ridiculous timetabling, with the result that seven and a half separate subject areas were denied debate.

This group of amendments is divided into two parts, the first of which relates to the need for special advocates. The hon. Gentleman and I advanced that in Committee. My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) has tabled amendments that reflect not only what we discussed in Committee but what was discussed last July during the passage of the Criminal Evidence (Witness Anonymity) Act 2008. When we debated these provisions under the emergency legislation last summer, the Government promised that they would much more closely examine the process and procedure for the appointment of special advocates or counsel in cases of this type. There have now been several cases that have gone to the Crown court and, to a lesser extent, to the magistrates court, in which applications for witness anonymity orders have been sought. Of that number, many have been granted, while some have not. However, if I remember correctly our deliberations in Committee, the Government were unable to tell us in how many cases the courts, using their own inherent powers, granted leave for a special advocate to appear on behalf of the court itself or to assist one or other of the parties.

That is an important omission, and the last few minutes of debate on Report are inadequate to deal with the matter. If the hon. Member for Cambridge or my right hon. and learned Friend the Member for Sleaford and North Hykeham are inclined to press their amendments to a Division, we will support them.

Bridget Prentice: I shall deal briefly with the two technical Government amendments in this group. Amendment 142 refines the anonymity provisions to take into account those rare situations where the duty of non-disclosure imposed by an investigation anonymity order may come into conflict with a duty to disclose an anonymous informant's identity that happens to arise by virtue of some other legislation or the common law. Indeed, the hon. Member for Cambridge (David Howarth) alluded to that. The new provision is intended to clarify in what circumstances disclosure of information in pursuance of a conflicting duty to disclose would amount to an offence. Government amendment 131 simply extends the provisions of the Criminal Evidence (Witness Anonymity) Act 2008, which are to be repealed following the commencement of the replacement provisions in this Bill.

I shall now deal, at least in part, with the amendments and new clauses tabled by the hon. Member for Cambridge, and if I can in the time remaining, I shall at least refer to some of the amendments tabled by the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg). On new clause 12, as the Under-Secretary of State for Justice, my hon. Friend the Member for Liverpool, Garston (Maria Eagle), explained in Committee, there is no evidence that the current non-statutory arrangements are not working well. The hon. and learned Member for Harborough (Mr. Garnier) asked how many cases there had been. There have been two since the enactment of the emergency legislation where the court asked the Attorney-General to appoint special counsel, and the request was granted in both cases. As the House will be well aware, special counsel is already available in anonymity applications under the common law. We do not see any reason to change that.

New clause 13 follows a similar new clause tabled in Committee and it relates to the effect of trial anonymity orders in relation to disclosure obligations under the Criminal Procedure and Investigations Act 1996. As the Under-Secretary of State for Justice, my hon. Friend the Member for Liverpool, Garston, made clear in Committee, a trial anonymity order overrides prosecution obligations to disclose material to the defence to the extent the trial court thinks fit in any particular case. We therefore consider the new clause unnecessary.

Clauses 62 and 63 make it clear who can apply for an investigation anonymity order. It would not be appropriate for the Director of Public Prosecutions to have to

[Bridget Prentice]

consent to every investigation anonymity order application, first because the orders are an investigative tool that should be available to the police, and secondly because the police and any prosecuting authority specified in the Bill are capable of deciding whether to exercise the powers or not without reference to the DPP. The orders are not linked to trial anonymity orders; they are an independent tool. It might not be appropriate for the prosecuting authority, in the form of the DPP, to be party to an investigative order that would be pursued by the police. There will, however, be close co-operation between the police and the Crown Prosecution Service in any case, under the guidelines.

The hon. Member for Cambridge also tabled amendments 160 and 19, which would alter the nature of the test that in clause 72 the court applies when assessing whether an anonymity order is necessary to prevent any serious damage to property. My concern is that such a change would make the value of the property relative to the total wealth of the witness relevant in considering whether the witness's fear is reasonable.

I would think it odd to suggest that someone's personal wealth should somehow affect how intimidated they might reasonably feel if their house were deliberately burned down. I believe that the amendment is unnecessary because the clause will require the court to have regard to any reasonable fear on the part of the witness that there would be serious damage to property if they were identified. The intimidating effect of damage to property is therefore already captured.

On the series of amendments tabled by the right hon. and learned Member for Sleaford and North Hykeham, we are not far apart on the principles behind some of the things that he wants, but the sort of detail that he requests in his amendments is not appropriate in primary legislation. We believe that the criminal procedure rules are the right venue for dealing with such detail. As an intermediate measure pending the making of those rules, the judiciary issued a practice direction on 28 July last year. The relevant passage stated:

"An application for a witness anonymity order should be made as early as possible and within any period directed by the court."

The criminal procedure rule committee is currently working on detailed provision for the procedures governing applications for witness anonymity orders. In the meantime, we are content for the courts to operate in accordance with the practice direction.

I assume that the intention behind amendment 60 is to require the court to be satisfied to the criminal standard—that is, beyond reasonable doubt—that the conditions for making a witness anonymity order have been met. We debated that in detail during the passage of the emergency legislation. There are many contexts in criminal legislation in which a court is required to be "satisfied" that applicable conditions are met. It is the function of the court to exercise its judicial judgment about that. It will either be satisfied or it will not, and I believe that that is the right term to use. It is commonly applied by the courts in this country.

Amendment 62 would redraft condition B to replace the reference to anonymity being consistent with a fair trial with a reference to anonymity not depriving the defendant of a fair trial. I agree with the right hon. and learned Gentleman that it is of paramount concern that defendants receive a fair trial, but we believe that the current wording guarantees that they will. The amendment would also replace the reference to "the defendant" with a reference that explicitly covers multi-handed cases. I am happy to confirm that the Bill already covers such cases. When the court considers granting an anonymity order, it must have regard to the impact on all the defendants, and the term "the defendant" in clause 72(4) is to be construed accordingly.

Amendment 63 would mean that in deciding whether condition C is met, the court must believe not only that a witness would not be prepared to testify without an order but that he could not reasonably be expected to do so. In other words, it would add a new objective criterion for condition C to be satisfied. My starting point is that clause 72(5)(a) essentially reproduces section 4(5)(b) of the emergency legislation, which is working well in practice. I would therefore need to be persuaded that such detail is needed in an amendment. In applying the consideration in clause 73(2)(f) of whether it is reasonably practicable to protect the witness by measures other than the anonymity order, the court is likely to consider whether it is reasonable to expect the witness to testify. It will also be able to take into consideration such other matters as it considers relevant, including the reasonableness of the witness's fear. We therefore do not consider it necessary to change the current framework.

Amendment 64 would make the witness's honesty, which is currently set out in clause 73(2)(e) as a consideration that the court must have regard to, a fourth condition for making a witness anonymity order. Again, we debated that subject during the passage of the emergency legislation. The amendment is unnecessary because it goes to the question of whether the defendant will have a fair trial. That, of course, is already catered for in condition B.

On that basis I cannot accept the amendments, but I hope that I have clarified to some extent the Government's position on them. I hope that hon. Members will not press their amendments and that they will support the Government amendments.

David Howarth: I am not satisfied with the Government's responses. On property, the Under-Secretary gave an example of a house in a personal injury case, whereas I referred to property unrelated to personal injury. In those circumstances, the wealth of the witness is immensely important.

I am afraid that the current guidelines maintain that independent counsel is exceptional, but that is not enough. They are also confused about the role of independent counsel, who are there to work for the court, not—

9 pm

Debate interrupted (Programme Order, 23 March).

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E), That the clause be read a Second time.

The House divided: Ayes 151, Noes 278.

Division No. 86] **[9.00 pm**

AYES

Amess, Mr. David	Bacon, Mr. Richard
Arbuthnot, rh Mr. James	Baldry, Tony
Atkinson, Mr. Peter	Barker, Gregory

Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brazier, Mr. Julian
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Clarke, rh Mr. Kenneth
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Fabricant, Michael
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Fraser, Christopher
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Grieve, Mr. Dominic
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horwood, Martin
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Hunter, Mark
Jack, rh Mr. Michael
Jones, Mr. David
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Kramer, Susan
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Mackay, rh Mr. Andrew
Maples, Mr. John
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Moore, Mr. Michael
Mulholland, Greg
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shepherd, Mr. Richard
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Wallace, Mr. Ben
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Dan Rogerson and Mr. Roger Williams

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn

Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Chris Mole and
Claire Ward

Question accordingly negatived.

The Deputy Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

Clause 61

INVESTIGATION ANONYMITY ORDERS

Amendment made: 142, page 36, line 4, at end insert—

'( ) A person who discloses such information as regards another person as is described in subsection (1) may not rely on subsection (8) in a case where—

(a) it might have been determined that the person was required or permitted to withhold the information (whether on grounds of public interest immunity or on other grounds), but

(b) the person disclosed the information without there having been a determination as to whether the person was required or permitted to withhold the information.

Disclosure for the purposes of seeking such a determination is not a contravention of an investigation anonymity order.'.—*(Bridget Prentice.)*

Clause 88

EXAMINATION OF ACCUSED THROUGH INTERMEDIARY

Amendment made: 129, page 51, leave out lines 27 to 38 and insert—

'(7) Any examination of the accused in pursuance of a direction under subsection (3) must take place in the presence of such persons as Criminal Procedure Rules or the direction may provide and in circumstances in which—

(a) the judge or justices (or both) and legal representatives acting in the proceedings are able to see and hear the examination of the accused and to communicate with the intermediary,

(b) the jury (if there is one) are able to see and hear the examination of the accused, and

(c) where there are two or more accused in the proceedings, each of the other accused is able to see and hear the examination of the accused.'.—*(Bridget Prentice.)*

Schedule 21

REPEALS

Amendment made: 131, page 228, line 34, at end insert—

'Section 10(1) to (7).'.—*(Bridget Prentice.)*

Third Reading

Queen's and Prince of Wales's consent signified.

9.14 pm

Bridget Prentice: I beg to move, That the Bill be now read the Third time.

This is an important Bill, which has been much improved by the process of scrutiny in the House. Let me record my thanks, and those of my right hon. Friend the Secretary of State and the Under-Secretary of State for Justice, my hon. Friend the Member for Liverpool, Garston (Maria Eagle), to all the Opposition Members for their constructive approach. The hon. and

learned Member for Harborough (Mr. Garnier), the hon. Member for North-West Norfolk (Mr. Bellingham), and the hon. Members for Cambridge (David Howarth) and for Cardiff, Central (Jenny Willott) have been ready to engage in debate in a helpful and positive way.

I commend the valuable and thoughtful contributions from my right hon. Friends the Members for Cardiff, South and Penarth (Alun Michael) and for Knowsley, North and Sefton, East (Mr. Howarth) and my hon. Friends the Members for Bridgend (Mrs. Moon), for Stafford (Mr. Kidney) and for Hendon (Mr. Dismore). Let me also thank the hon. Member for North-West Norfolk for the kind words and good wishes that he sent to my hon. Friend the Member for Liverpool, Garston. She was very disappointed not to be here to participate in debates on matters that are her policy responsibility. However, I am sure she will be pleased that we have seen the Bill through this evening.

I thank all the officials who have been involved in the many different parts of the Bill. I thank the Public Bill officials, the Chairs of the Public Bill Committee, *Hansard* and the Public Bill Office—and, of course, my hon. Friend the Member for Wrexham (Ian Lucas) and his counterparts, who, through the usual channels, ensured that the Bill had a smooth passage both in Committee and on the Floor of the House.

My right hon. Friend the Secretary of State and I said, on Second Reading and subsequently, that we would listen to those expressing legitimate concerns about a number of provisions in the Bill, and that we were open to constructive suggestions for improving those provisions. We have listened, and we have responded.

There were fears that the provisions in respect of certified coroners' investigations were drawn too widely and did not provide for sufficient judicial oversight. We have narrowed the criteria for certification of an investigation, and have removed from the Secretary of State the decision whether a certified inquest should proceed without a jury. As the Bar Council and the Criminal Bar Association have acknowledged, those and other changes to clause 11 have

"fundamentally recast the proposals for certified investigations".

There was concern about the scope of the power to make information-sharing orders. We have now withdrawn clause 154, and will consider carefully the views expressed by all interested parties. There was also concern about the possibility that the Sentencing Council would be required to operate within too rigid a structure for the formulation of sentencing guidelines, and that the requirement for sentencers to follow the guidelines was too inflexible. We have recast those provisions so that both the council and the sentencers will have greater flexibility.

Another worry was that the provisions in part 1 did not go far enough in monitoring the actions that coroners recommended to prevent future deaths, and that senior coroners were being unfairly denied the opportunity to apply for the post of deputy chief coroner. Again, we have listened and responded. As the Bill approaches the end of its Commons stages, we will continue to listen, to reflect and, when we are convinced by the arguments, to respond.

Although it is understandable that much of our deliberation has been focused on the provisions that divide us, we should not lose sight of the many other provisions that have attracted cross-party support. Too little has been said about the reforms of the coroner and justice systems, and the beneficial impact that they will have on bereaved families, victims and witnesses.

Simon Hughes (North Southwark and Bermondsey) (LD): One of the matters about which nothing was said—because my amendments were not reached—was the question of complaints against coroners. Will the Minister assure me that the Bill, if enacted, will allow individuals to complain not necessarily about the decisions of coroners, but about the behaviour of coroners who have left families, as in the Marchioness case, or a family—as in the Jeremiah Duggan case—with no confidence in their work?

Bridget Prentice: I will come to the charter for the bereaved in a moment. For me personally, it is one of the most important parts of the Bill. It puts the bereaved families at the heart of the coronial system. I have met the Marchioness victims and talked with many other bereaved family organisations. There will be an opportunity for families to appeal to the chief coroner if they feel that a coroner has been wrong in a decision. In addition, the charter will for the first time give bereaved families the opportunity to know what standard of service they should expect from coroners. I am glad that the hon. Gentleman intervened because I wanted to ensure that that was on the record. In modernising this ancient office, which has not been touched for the best part of over 100 years, we are putting the needs of bereaved families at the forefront of coroners' investigations.

Jenny Willott: One of the other issues that was discussed at great length in Committee but that unfortunately we did not have an opportunity to debate on the Floor of the House was that of the disparities between funding in different coroner areas. There are concerns that the Bill does not tackle that strongly enough. Will the Minister give more thought to the possibility of allowing the chief coroner extra powers and some more teeth to be able to tackle problems arising when not enough funding is provided in a local coronial area?

Bridget Prentice: The chief coroner will have a number of powers in setting the national standards and making sure that there is consistency across England and Wales. I spoke to the Local Government Association conference this morning. We will work closely with local authorities to ensure that resources are in place for coroners to be able to carry out their duties properly. As a result of the reforms, there may be fewer inquests for coroners to deal with: because of the introduction of medical examiners, who will look at the death certificates, many cases that presently go to a coroner may not need to do so. Resources may thus be freed up in that way.

The proposed charter will ensure that the next of kin is notified quickly when a death is reported to the coroner and it will be explained to them why a post-mortem is necessary. It will ensure that family members are given regular updates on the progress of a coroner's investigation, and enable inquests to be held closer to the home of the deceased's family. It will also ensure that family members have, on request and wherever possible, access to all documents relevant to the inquest and that they will be able to participate fully in the inquest proceedings. It will also confer new and accessible

[Bridget Prentice]

rights of appeal against coroners' decisions. I hope that that answers the proper questions that were asked by the hon. Member for North Southwark and Bermondsey (Simon Hughes) on that matter.

Sitting above the locally delivered coroner service will be the new chief coroner providing strategic leadership, setting and monitoring national minimum standards, managing the operational response to unusual circumstances which crop up from time to time, and ensuring excellent training arrangements.

The death of a loved one is traumatic at any time. Where that death is violent or unnatural, it is all the harder to come to terms with. At such times, bereaved families want answers to the inevitable questions surrounding the death of their loved one and want to be treated with understanding and compassion. Coroners and their staff have a difficult task to perform, and many provide an excellent service to the bereaved. These reforms will help to ensure that all bereaved families have the high standards of service that they are entitled to expect.

This morning when I spoke to the Local Government Association, I said that the Bill was putting bereaved families at the heart of the coroner service and that that was the most important thing it could do. André Rebello, secretary of the Coroners' Society of England and Wales, who spoke after me, said that it does something else: it gives those families fairness and justice. He is absolutely right.

Victims and witnesses who come into contact with the criminal justice system are equally entitled to receive a high standard of service. The prevention and detection of crime and bringing offenders to justice is not the job just of the police or the prosecutors or the courts. They need the co-operation and support of the wider public. If a member of the public has a poor experience as a witness, who can blame them for not wanting to stick their neck out on a second occasion? So we must put the needs of victims and witnesses at the heart of the justice system. The provisions in the Bill are directed to that end.

The law should only allow a murder charge to be reduced to manslaughter in appropriate and clearly defined circumstances. Those who intentionally incite hatred against gay people by using threatening words or behaviour should not be able to excuse their actions on freedom of speech grounds. Those witnesses who bravely come forward to give information about a gang-related homicide should be able to do so in the knowledge that their identity will be protected. Vulnerable and intimidated witnesses should be given all necessary assistance to help them to give their best evidence in court. Victims and the wider public should have confidence that there is consistency in sentencing across the country.

Simon Hughes: The Minister is a neighbouring MP and she knows that in this context one issue that often comes our way is the need for the protection of witnesses, even to the extent of having to provide a safe place for them or their business to move to. Will she give an assurance that those systems that involve the police, sometimes the Court Service and often local government, are now robust enough to deliver as quickly as is necessary that safety and protection that our constituents periodically need?

Bridget Prentice: Of course I agree with the hon. Gentleman about how important that is, and I think the witness protection programme is sufficiently robust to deal with exactly that.

I visited one of my local schools earlier this week. It has been doing some work on knife and gun crime, which the hon. Gentleman knows is very important in our constituencies. The people at the school referred me to the Children's Commissioner survey published last week, which showed that 37 per cent. of young people are afraid to come forward as witnesses in gun or knife crime-related situations. They conducted a survey in their own school, which revealed that 88 per cent. of them felt they would be fearful of being witnesses. This Bill changes that for such young people, and that is hugely important for them. Victims should not have to suffer a second time when they see the person who inflicted pain and suffering on them, perhaps by killing a loved one, being able to cash in on their notoriety. That, too, is dealt with in the Bill, and will be part of helping victims feel they are at the centre of the justice system.

It is through these measures that the Bill will help to deliver justice: justice for victims; justice for witnesses; justice for bereaved families; and justice for the communities we represent. It is for that reason that I hope Members will wholeheartedly give the Bill a Third Reading, and I commend it to the House.

9.28 pm

Mr. Garnier: May I begin by thanking the Minister for her kind words about the way in which the Opposition have engaged with this Bill, and by joining my hon. Friend the Member for North-West Norfolk (Mr. Bellingham) in sending good wishes for a speedy recovery to the Under-Secretary of State for Justice, the hon. Member for Liverpool, Garston (Maria Eagle), who cannot be here with us this evening?

As with every plum duff, this Bill has some good points that persuade us—just—to allow it to pass through to the other place, where its more hopeless, useless and egregious provisions can be removed or amended. I want to remind the House of a passage from a Government Green Paper published yesterday, as it tells us a lot about how this Government think, and what motivates them in coming to this House with legislation. The passage is from paragraph 4.2 of "Rights and responsibilities: developing our constitutional framework", published yesterday by the Secretary of State. It reads as follows:

> "The possible range of approaches to a Bill of Rights and Responsibilities represents a continuum. At one end, it might take the form of a declaratory and symbolic statement. At the other lies a set of rights and responsibilities directly enforceable by the individual in the courts. Along the continuum there are options including some form of statement of principles which, endorsed by Parliament, might inform legislation—as well as public authority and court decisions—while not necessarily giving rise to enforceable individual rights. Ultimately, different categories of principles, rights and responsibilities could have different legal effects, so that a Bill of Rights and Responsibilities could encompass a range of legal effects and mechanisms for enforcement."

That is pretty vacuous, but if one were to substitute "Bill of Rights and Responsibilities" with "Coroners and Justice Bill", one would have an equally apt description of the vacuity behind much of the thinking that has created this Bill.

We welcome the reform of the coronial system in part 1 of the Bill, subject to our deep concerns about the fact that clause 11 remains; we have no doubt that the other place will give that a thorough investigation. We also welcome other aspects of the Bill, outside part 1, that deal with anonymity in investigations. As I said in Committee, we take on board and fully understand the need for anonymity in the stages of investigation into many of the gangland attacks and offences that take place on the estates in our inner cities.

We also welcomed the revival, if that is the correct expression, of the Criminal Evidence (Witness Anonymity) Act 2008 in respect of witness anonymity orders, which chapter 2—clause 70 and those following—provides for, subject to a number of matters of detail. We welcomed the measures on vulnerable and intimidated witnesses and the extension of live video links for the giving of evidence by vulnerable or frightened people. We have had discussions and disagreement this evening about the way in which the Sentencing Council will be required to arrive at conclusions and recommendations, and whether they should be followed or taken account of. However, as a matter of general principle, we do not object to the existence of a sentencing council; indeed, we have understood its positive features since 2003. We were prepared to welcome other matters, including those relating to the exploitation of criminal memoirs.

We are not only disappointed with the content of some of the provisions on important subjects such as murder—the Government's refusal to accepts amendments to do with developmental maturity in cases involving diminished responsibility, and in respect of youngsters as well as adult killers—but we are deeply concerned about the way in which the Government have refused to remove the issue of sexual infidelity from the loss of control provisions in clauses 41 to 43. They deal with what used to be called provocation.

The Bill has contained some good things, some less good things and some plainly dreadful things, one of which the Government did recognise through the withdrawal of what was clause 152 and what became clause 154. That was an appalling clause, but it was all of a piece with their attitude to individual rights and the relationship between the state and the citizen. Each time they come forward with a provision to increase the power of the state, to diminish the rights of the individual or to create some new criminal offence, they say that it is only a small reduction of liberty or a small new offence, but that it is strictly necessary in this particular case. When these things are looked at individually, they may not look too bad, but this is—

Mr. Straw: Will the hon. and learned Gentleman give way?

Mr. Garnier: If I may finish the sentence, the Secretary of State may have as much time as he wishes—*[Interruption.]* Well, he is very good at asking long questions. He is also very good at giving long answers—*[Interruption.]* I forget the name of the Whip's constituency, but I do hope that his constituents realise what a valuable contribution he makes to our deliberations.

This is a salami-slicing approach to our rights and liberties. Consider the catalogue of infringements engineered by this Government—when one reconstructs the salami, one is left with bad meat.

Mr. Straw: On the issue of rights, is the Conservative party committed to keeping the Human Rights Act on the statute book?

Mr. Garnier: The Secretary of State knows precisely what the answer to that question is because he had a discussion recently with my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve). Our Bill of rights will replace it.

Mr. Straw: Yes or no?

Mr. Garnier: I know that the Secretary of State is deaf in one ear, but he heard the answer clearly yesterday. I repeat that we intend to remove it from the statute book and replace it with our better version—

Alun Michael: So that's a no, then?

Mr. Garnier: It is a no; that is right. Well done! I am delighted. It is almost a no that this Bill will get a Third Reading. The other place will not suffer the same time constraints and will not be bullied by Government business managers, and I am sure that it will produce a far better Bill.

Yesterday, the Government's timetable motion allowed only the clause 11 discussion to take place. All the other stuff on homicide, assisted suicide and other aspects of the coronial system had to fall by the wayside, and that is not a good way to construct legislation. Today, we were not able to complete all the timetabled business. Is that because the Government did not want those issues discussed? Did they not have the self-confidence to allow that discussion? Either way, we are left with a duff bit of plum duff, a curate's egg. I hope that the other place will not feel in the least bit inhibited by the Government's attitude to civil rights or the proper way to deal with legislation, and I trust that when the Bill comes back to this place in a few months, it will be greatly improved.

9.37 pm

David Howarth: May I also send my best wishes to the Under-Secretary of State for Justice, the hon. Member for Liverpool, Garston (Maria Eagle)? I hope that she recovers quickly from her illness.

The Minister was right to say that several parts of the Bill have received all-party support. She was also right to say that it is a better Bill than when it was introduced, especially after the removal of the information-sharing provisions. As I said yesterday, the jurors' inquest provisions are slightly better than they were when we started. However, as we made clear yesterday, they have not improved enough. They still permit the exclusion of juries in cases in which it is essential that they are involved, and they still far too easily exclude the families involved.

The rest of the Bill has scarcely been scrutinised at all and it is scandalous that we should pass the Bill in its present form. Several of the matters that we have discussed tonight are still not right. The data commissioner, for example, still has insufficient powers, especially over the private sector. The Sentencing Council provisions are still biased in favour of an old-fashioned, backward-looking view of the criminal justice system. The anonymous witness provisions are still seriously flawed. They fail to

[David Howarth]

recognise the importance of special counsel and the Government have not responded to the penetrating debate in Committee about threats to property and how they should be handled in this legislation. We have not even reached the provisions for criminal memoirs and, although they are fine in principle, many of the details are confused and will cause serious difficulty if they reach the statute book in their present form. Above all, however, what happened yesterday means that the Bill cannot be passed in its present form. The motion before us says that "the Bill be now read a Third time", and it is the word "now" to which I object. Virtually none of the provisions on coroners were reached. Amendments to do with the duties of coroners, the make-up of inquest juries and how the medical examiner system would work and be governed were simply not discussed. There are serious problems in all those elements of the Bill.

Even more important—and for me this is crucial—is the issue of the law on murder. The Bill reforms the whole law on murder, and the defences against it, but discussion in Committee revealed important weaknesses in the Government's approach to what is the most serious of crimes. We put forward an entirely different approach that took into account the Law Commission's original recommendations—which the Government ignored—and what was said in Committee. Those proposals have not been discussed at all.

In many respects, the law on murder—what counts as murder—remains too narrow for some cases and too broad for others. What counts as murder does not respond fully to what the public would understand by the word "murder". Many deaths that the law would see as murder would be counted as accidental by most people, yet many other deaths are counted by the law as only manslaughter when most people would regard them as murder. That aspect of the law, which the Law Commission attempted to reform, has not been reformed at all by the Bill.

The Government's diminished responsibility reforms are retrograde. They introduce far too much detail and specificity into a defence whose main function is to allow the jury to do justice. The introduction of an over medicalised form of defence—as the hon. and learned Member for Harborough (Mr. Garnier) said, it does not include any consideration of developmental immaturity in young people—is only part of the problem. Other difficulties include the fact that the Bill uses far too strict a notion of causation, with the result that the Government are restricting a defence that should not be restricted.

The Bill proposes that the notion of provocation to murder should be replaced by a defence of loss of control, but that is entirely unsatisfactory. In Committee, it became clear that the Government were jamming together two different types of situation. In one, a person can claim to have been justifiably angry at the victim of the homicide, with the result that the charge can be reduced to manslaughter. It is right in such cases that the defence—it is a sort of "blame the victim" defence—should be as narrow as possible. The test of loss of control remains perfectly proper in those cases, but the Bill confuses them with cases in which the defendant's fear of what might happen, rather than his anger, is at issue.

Cases in the latter category include those that involve abused wives, but the Government have insisted, in the way that the Bill has been drafted, on maintaining a requirement for loss of control in those cases. I do not think that justice can be done if loss of control is included in such cases. Many of us came to the conclusion that cases based on anger and on fear should be entirely separate, yet the Government have not allowed any debate on that. I think that we are on the edge of a historic mistake in the law on murder, and it has all come about thanks to the procedural foul-ups in the way that the Government set up the debate.

The Bill is still seriously defective. In one regard—the proposed secret, juryless inquests—it is objectionable, but it has not been scrutinised enough. I cannot vote for, and must vote against, a motion that includes that word "now".

9.44 pm

Angus Robertson (Moray) (SNP): I should like to speak briefly in support of the aspects of the Bill, as amended, that have an impact on Scotland. Of course, some of the matters raised in the debate, and some amendments—some pursued, some dropped—were contentious, but they affect only England and Wales, although there are minor provisions affecting Northern Ireland. I want to speak about the amendments, tabled for the first time yesterday, on fatal accident inquiries into overseas military deaths.

For the past 41 years, the bodies of service personnel stationed in Scotland who suffered a military death overseas have been repatriated, but there have never been legal proceedings in Scotland. All bodies returned to the UK were returned to England, where coroners' courts undertook their duty of helping families to understand the circumstances of the death of loved ones. I have attended coroners' inquests in Oxfordshire, and I pay tribute to coroners who have spent time trying to get to the bottom of tragic circumstances.

The Ministers involved, both here and in Edinburgh, have recognised that the current situation is no longer tenable. It is not fair that the English and Welsh legal system should carry all responsibility for inquiring into the background of overseas military deaths, while the Scots legal system—an excellent legal system—plays no part. I am pleased that there has been a confluence of interest in getting the situation resolved. It has been a technical process, and there are issues between the legal systems. However, a mechanism has been agreed for the repatriation of bodies and the transferral of cases, should that be necessary. In truth, we do not know how the mechanism will operate, although it was agreed in good faith. I hope that the proceedings will never be needed. Of course, we hope that nobody dies overseas in military service, but at a time when the UK military has a very fast tempo of military operations, sadly there are too-frequent deaths. Unfortunately, it is to be expected that the amendments, now part of the Bill, will move into operation.

People have listened in recent months and years to the families of service personnel, whether it be to those involved in the recent tragic case of Nimrod XV230, to Rose Gentle or to many other service families in Scotland, who have said that the burden and stress put on their families by having to travel far to coroners' inquests

down south was very difficult. The changes will remedy all that. We will look closely at how the system operates in practice.

Those are the only measures in the Bill that relate to Scotland; all the other matters of contention—data sharing, murder and assisted suicide—relate entirely to England and Wales. There are also some provisions that pertain to Northern Ireland. The only measures in the Bill that apply to Scotland relate to fatal accident inquiries into overseas military deaths, and that is why the Scottish National party will support the Government tonight.

9.48 pm

Mr. David Heath (Somerton and Frome) (LD): There are elements of the Bill with which I profoundly disagree, and I shall have no hesitation in following the advice of my hon. Friend the Member for Cambridge (David Howarth) this evening. I want to touch on the matters that were not debated yesterday on Report—the changes to the coroner system. I have no doubt that the system could be improved further, but I respect the Government's intentions in changing the architecture of the coroner system, and in making significant improvements to its operation.

My interest in the subject was sparked largely by the experiences of a constituent of mine, Mr. Alick Moore, who sadly lost his son on 15 October 2004 in a diving accident. Mr. Moore and his family had to wait four and a half years for an inquest to be held, with very little information on the protracted investigations of the Health and Safety Executive and the police into the circumstances of his son's death. There was little apparent co-ordination, and a very unsatisfactory conclusion at the end. That, and the treatment that Mr. Moore received at the inquest, persuaded me that serious questions need to be asked. I have been in a long correspondence on the subject with various authorities, including the Attorney-General and the Under-Secretary of State for Justice, the hon. Member for Lewisham, East (Bridget Prentice). I should like to say how grateful I am for the way in which she addressed the concerns raised by Mr. Moore in her most recent letter to him. I know that he very much appreciates the care she took in responding to the points that he put.

I hope that the outstanding questions—work-related deaths—will be resolved in the further stages of the Bill, if it passes to another place. The work-related death protocol has been ineffective in ensuring proper co-operation between the investigating authorities, particularly the HSE and the Crown Prosecution Service. I am dismayed that the wait that Mr. Moore had to experience is so often seen as the norm. My question to Ministers is whether they believe the Bill will cure that chronic problem of delay in investigation and delay in inquests being held.

It is essential that the investigative period is substantially reduced in order to provide comfort to the bereaved family at an early stage, and so that at the time of the inquest they have clear and conclusive reasons for a prosecution being pursued or not. The key point that Mr. Moore would want to raise with the Minister is how we reduce that very long and entirely unacceptable period between the death and the results of any investigation.

Other issues include the degree to which bereaved families are represented in court. In work-related deaths, corporate respondents to the inquest are often well and expensively represented. The family do not have that opportunity. We should look at whether, within the guidance and the funding of the inquest system, we can provide for families to be properly represented where there are questions that need to be put on behalf of the family about the circumstances of death.

One of the things that my constituent found most difficult about the circumstances that he faced was the point-blank refusal of the coroner to communicate effectively with him until the inquest was completed, and even after that time, when he was not prepared to give any reasons for reaching his conclusions, having set aside what had already been accepted as a partial liability on the part of the company involved. That is unsatisfactory.

I hope the charter for the bereaved that the Under-Secretary mentioned will deal with some of those issues. Clear guidance must be given to coroners on the extent that they can communicate with and have a dialogue with bereaved families without prejudicing the conduct of the inquest. That seems to me to be a crucial point if we are to provide a proper service to bereaved families.

Despite my deep reservations about other parts of the Bill, I think the Government are moving in the right direction in the reform of the coronial system. I wish we had had a separate coroners Bill that dealt with that, rather than with all the other excrescences that have been added. Although I shall join my hon. Friend the Member for Cambridge in the Lobby this evening against the Bill, I very much hope that reform of the coronial system will survive parliamentary scrutiny and will be improved in another place, and that we shall see a real improvement in the services offered to families in future.

9.53 pm

Simon Hughes: I share the views expressed by my hon. Friend the Member for Somerton and Frome (Mr. Heath), and the views that my hon. Friend the Member for Cambridge (David Howarth) expressed about the Bill. I share the frustration of colleagues who found that they were unable to debate so much of what they wanted to debate yesterday.

I return to the subject on which I intervened on the Minister. One of the things that will be a tribute both to the Minister and to the Government and that I hope will survive in the other place is a better system of protection of witnesses. When Tony Blair was Prime Minister, he made it clear that he was committed to changing the justice system so that victims and witnesses were better protected, and the Secretary of State for Justice and his team have said the same.

One of the tests of whether the Bill becomes decent legislation after scrutiny by the House of Lords is whether all those who would like to give evidence but are frightened feel that they can do so. The Minister replied positively to me about that. But whatever the shape of the Bill when it finishes its passage through both Houses, information about the protection given needs to be clearly, simply and urgently disseminated—in particular that the witness protection service works, and works well. I am still dealing with a family who have not yet had a satisfactory resolution, because of the witness protection service's difficulty in achieving it, following a domestic violence case of great seriousness several years ago. Clearly, that is not a satisfactory state of affairs.

The coroner's court in my constituency has a good reputation, but that has not always been true of other coroners' courts around the country. The Minister shared

[Simon Hughes]

with me her knowledge of the frustration of those such as the recently deceased and much lamented Eileen Dallaglio, who fought for so long to get what they regarded as justice for their children or relatives who died in the Marchioness disaster. As a result of their complaints, the right hon. Member for Kingston upon Hull, East (Mr. Prescott) was eventually extremely helpful in providing a public inquiry. One of the reasons that a public inquiry was needed was that the coroner system, through delay, insensitivity and not allowing the families to take part in the process and get answers to the questions that they rightly wanted to ask—not just about the causes of death following that sinking in the Thames more than a decade ago, but about personal matters such as what happened when hands were chopped off bodies, which was unacceptable—had failed those families.

The Minister and her colleagues are well aware of the concern, expressed in cases that we are still dealing with, about what happens when a British citizen dies abroad and the investigation by the domestic authorities of a foreign country is thought to be inadequate. Sometimes the matter comes back to be considered by coroners' courts in this country—I am not talking about service deaths, which have been long debated. That issue is rightly a cause for concern among Members of Parliament, and by the time the Bill becomes law I hope that we will be able to say with confidence to our constituents that wherever a British person died, we will have a system that, at home or abroad, ensures the best possible investigation, answers to questions and a sense of closure, with justice. The Minister and her colleagues desperately want that, as do I and my colleagues.

9.57 pm

Dr. Evan Harris: In the three minutes remaining for scrutiny of the Bill—*[Interruption.]* It is unbecoming for Government Whips who have conspired—I choose the word carefully—to ensure inadequate scrutiny, to protest from a sedentary position when a Member wants to discuss the Bill. They should recognise what has happened.

The Joint Committee on Human Rights spent a lot of time scrutinising the Bill. We were pleased by the speed with which the Minister replied to our letters. It must also be noted that the Government were willing to provide extra days in Committee, and that they provided two days on Report, when the Criminal Justice and Immigration Bill got only one day—*[Interruption.]* The Government Whip, the hon. Member for Wrexham (Ian Lucas), says that it was him—congratulations. However, is it not a pity to spoil it all with the programme motion, whereby important chunks of the Bill were not scrutinised? Ministers have done an excellent job—

Mr. Straw: We have responded to the Joint Committee's report because many of the changes in the Bill reflect its recommendations.

Dr. Harris: So much was done well by the Government, it is a pity that they failed on the fundamental question of Members being able to amend and debate important parts of the criminal law such as murder. To fail at that hurdle is unfortunate. In a spirit of compromise, I ask whether the Government will reflect on whether programme motions can better be used, in consultation with the Opposition parties, to ensure that if there is failure, we all fail, rather than us having sometimes unseemly rows about the failure to scrutinise. That does not look good, particularly given what the Prime Minister has said about the importance of the House being able to scrutinise. The Bill involves important matters, and those who have not been in Committee feel that this is their only chance to get stuck in. We have had good debates about some of the other issues. I urge the Secretary of State, who is listening, to think about what I have said and talk to his colleagues about it.

10 pm

Debate interrupted (Programme Order, 23 March).

The Speaker put forthwith the Question already proposed from the Chair (Standing Order No.83E), That the Bill be now read the Third time.

The House divided: Ayes 283, Noes 62.

Division No. 87] **[10 pm**

AYES

Abbott, Ms Diane	Clark, Ms Katy
Ainger, Nick	Clarke, rh Mr. Charles
Ainsworth, rh Mr. Bob	Clarke, rh Mr. Tom
Alexander, rh Mr. Douglas	Clelland, Mr. David
Allen, Mr. Graham	Coaker, Mr. Vernon
Anderson, Mr. David	Coffey, Ann
Anderson, Janet	Cohen, Harry
Armstrong, rh Hilary	Connarty, Michael
Atkins, Charlotte	Cooper, Rosie
Austin, Mr. Ian	Cooper, rh Yvette
Austin, John	Corbyn, Jeremy
Bailey, Mr. Adrian	Cousins, Jim
Baird, Vera	Crausby, Mr. David
Banks, Gordon	Creagh, Mary
Barlow, Ms Celia	Cruddas, Jon
Barron, rh Mr. Kevin	Cryer, Mrs. Ann
Battle, rh John	Cummings, John
Begg, Miss Anne	Cunningham, Mr. Jim
Bell, Sir Stuart	Cunningham, Tony
Beon, rh Hilary	David, Mr. Wayne
Berry, Roger	Davidson, Mr. Ian
Betts, Mr. Clive	Davies, Mr. Quentin
Blackman, Liz	Dean, Mrs. Janet
Blackman-Woods, Dr. Roberta	Devine, Mr. Jim
Blears, rh Hazel	Dismore, Mr. Andrew
Blunkett, rh Mr. David	Donohoe, Mr. Brian H.
Borrow, Mr. David S.	Doran, Mr. Frank
Bradshaw, Mr. Ben	Dowd, Jim
Brennan, Kevin	Drew, Mr. David
Brown, Lyn	Ellman, Mrs. Louise
Brown, rh Mr. Nicholas	Ennis, Jeff
Brown, Mr. Russell	Etherington, Bill
Bryant, Chris	Fisher, Mark
Burgon, Colin	Fitzpatrick, Jim
Burnham, rh Andy	Fiello, Mr. Robert
Butler, Ms Dawn	Flint, rh Caroline
Byers, rh Mr. Stephen	Flynn, Paul
Byrne, rh Mr. Liam	Follett, Barbara
Caborn, rh Mr. Richard	Foster, Mr. Michael *(Worcester)*
Cairns, David	Foster, Michael Jabez *(Hastings and Rye)*
Campbell, Mr. Alan	Francis, Dr. Hywel
Caton, Mr. Martin	Gapes, Mike
Cawsey, Mr. Ian	Gardiner, Barry
Challen, Colin	George, rh Mr. Bruce
Chaytor, Mr. David	
Clapham, Mr. Michael	

Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Havard, Mr. Dai
Healey, rh John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Ingram, rh Mr. Adam
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Malik, Mr. Shahid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Moon, Mrs. Madeleine
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Sneigrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Chris Mole and Claire Ward

NOES

Alexander, Danny
Baker, Norman
Barrett, John
Beith, rh Sir Alan
Brake, Tom
Brooke, Annette
Browne, Mr. Jeremy
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Clegg, rh Mr. Nick
Davey, Mr. Edward
Davies, Mr. Dai
Dodds, Mr. Nigel
Durkan, Mark
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Horwood, Martin
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kramer, Susan
Laws, Mr. David
Leech, Mr. John
McCrea, Dr. William
Moore, Mr. Michael
Mulholland, Greg
Pelling, Mr. Andrew
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Russell, Bob
Sanders, Mr. Adrian
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Swinson, Jo
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Williams, Mark
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Sammy
Younger-Ross, Richard

Tellers for the Noes:
Dan Rogerson and Mr. Roger Williams

Question accordingly agreed to.

Bill read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

IMMIGRATION

That the draft Immigration and Nationality (Fees) Regulations 2009, which were laid before this House on 12 February, be approved.—*(Mr. Austin.)*

Question agreed to.

Mr. Speaker: With the leave of the House, we shall take motions 4 and 5 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

BANKS AND BANKING

That the draft Northern Rock plc Compensation Scheme (Amendment) Order 2009, which was laid before this House on 25 February, be approved.

That the draft Bradford & Bingley plc Compensation Scheme (Amendment) Order 2009, which was laid before this House on 25 February, be approved.—*(Mr. Austin.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order 119(11)),

PRE-ACCESSION ASSISTANCE

That this House takes note of European Union Documents No. 15620/08, Commission Communication: Instrument for Pre-Accession Assistance (IPA): Multi-annual Indicative Financial Framework for 2010–2012 and No. 17210/08 and Addendum, Commission Report: The 2007 Instrument for Pre-Accession Assistance Annual Report; notes the current progress towards further EU enlargement; and urges the Commission to learn lessons from previous experience and ensure that its resources are effectively managed and delivered.—*(Mr. Austin.)*

Question agreed to.

REGULATORY REFORM

Motion made, and Question put forthwith (Standing Order No. 18(2)),

That the draft Legislative Reform (Insolvency) (Advertising Requirements) Order 2009, which was laid before this House on 4 December 2008, be approved.—*(Mr. Austin.)*

Question agreed to.

PETITION

Planning and Development (Essex)

10.14 pm

Bob Spink (Castle Point) (Ind): I rise to present a petition on what may seem a relatively trivial matter but is of great significance and importance to my community in Castle Point, and particularly to the community of Hadleigh. We are an urban borough, but we have lovely areas and views and a charming, green, tree-lined verge on the A13 entrance to Hadleigh from Southend. We cherish it and want to keep it. Residents are angry that a politically correct band of councillors has dreamed up a scheme to put a bus lane in, which will destroy the verge and the trees. That bus lane will clearly achieve almost nothing for residents but will cost a fortune and destroy our beautiful street scene in that area. Yet again, councillors have totally failed the people. By refusing to consult them, they have shown contempt for residents. I warmly congratulate each and every person who has showed that they care about their community by signing the petition.

The petition states:

The Petition of Gwen Hall, residents of Hadleigh, and others,

Declares that the local council's plans to destroy part of the grassed tree lined verge between Tattersall Gardens and Hadleigh on the A13 to provide a bus lane is not reasonable, would not improve traffic flows significantly, would destroy the open and green entrance to Hadleigh village and would therefore, on balance, be a waste of public resources; further notes that councillors should consult residents properly on all such issues and listen to them more seriously.

The Petitioners therefore request that the House of Commons urges the Government to make it clear to Essex County Council and Castle Point Council that they should put this development on hold until they have properly consulted the public, and that they should listen to public opinion.

And the Petitioners remain, etc.

[P000338]

MSC Napoli

Motion made, and Question proposed, That this House do now adjourn.—*(Ian Lucas.)*

10.16 pm

Mr. Hugo Swire (East Devon) (Con): It is now just over two years since the MSC Napoli, en route from Antwerp to Portugal, was beached off the east Devon section of the world heritage coast, between Sidmouth and Branscombe, following a storm off Cornwall. What followed was four days of what can only be described as chaos, triggered by the substantial influx into Branscombe of people intent on removing items of cargo washed ashore.

The incident triggered a major inter-agency operation led by the Maritime and Coastguard Agency and presented significant challenges both at sea and on land, including public order and traffic management issues. Although those involved in the handling of the clear-up, particularly the work at sea, performed exceptionally well, what will be remembered for years to come will instead be the scenes of looting that took place.

The purpose this evening's debate is not to apportion blame but to learn lessons and suggest changes. What happened in Branscombe was nothing short of a disaster, and although the impact was felt locally, the issues that it raised are certainly of national, if not international, importance. Frankly, it is a disgrace that the events in Branscombe were not given the examination that they deserved in a public inquiry. The Secretary of State refused to hold any type of public inquiry, simply deciding that the marine accident investigation branch report would suffice and that the events both on Branscombe beach and in Branscombe parish were not his concern or, it seems, of national significance.

Instead, Devon county council was forced to take responsibility and had to resort to spending £22,000 of local taxpayers' money on its own inquiry, a fact that is all the more shocking when we consider that it spent £25,000 of local taxpayers' money on an inquiry into foot and mouth in 2001, again due to the Government's refusal to hold one. Although it is fundamentally and irrevocably wrong that it was left to the taxpayers of Devon to foot the bill, if the inquiry report, which is intended to help authorities cope better with such an incident in future, is given the full attention that it deserves, and if recommendations are taken forward and legislative changes implemented, that money will have been well spent.

I trust that by now the Minister has read the inquiry report thoroughly. I congratulate and thank all those involved, particularly Professor Ian Mercer, who also handled Devon's inquiry into foot and mouth. Will the Minister concede that it was wrong for Devon to have to foot the bill for an inquiry into an event that had repercussions far beyond the county borders?

It has generally been recognised that the biggest stumbling block to an effective operation on land was the many centres, groups and units that were involved in the emergency. Although we have a successful system in place for disasters at sea, we simply have no clear understanding of who is in overall control of land operations when a ship comes ashore. That was the central focus of the inquiry.

If someone—perhaps, as the inquiry report suggests, the chief constable of the region where the ship or cargo first comes ashore or off which it grounds—were appointed the Secretary of State's Representative or SOSREP on land, there would be a clear command chain, and the initial confusion need never happen again. If there had been a leader on land from the outset—and I can think of no better person in Devon than our own Chief Constable Stephen Otter—who had been able to direct operations as soon as they were aware of what was about to occur, the scenes of looting and ransacking could have been, if not completely averted, at least controlled and contained.

That brings me to my next point: the urgent need to address the laws of salvage. The looting that took place in the days that followed the beaching of the Napoli caused an astonishing 800 per cent. more damage than the accident caused. The police, who were unsure about the law of salvage, refused to close access to the beach until legal advice had been obtained. Order was restored only when the police were sure that they had the power to cordon off the beach. The uncertainty surrounding the implementation of the current legislation led to delays in the police taking appropriate action. The legislation must now be clarified to prevent similar situations from occurring in future.

The relevant merchant shipping legislation dates from only 1995, yet provisions in part IX of the Merchant Shipping Act 1995, which deal with wreck, are an only slightly altered version of the Maritime Act 1854. We are working with a 19th century statutory framework, devised in the days of considerably smaller trading vessels, that cannot now cope with such an incident. Indeed, the Napoli, which was built in 1991 and carried just over 2,000 containers, is dwarfed by the newer generation of far larger container ships, which have a capacity of more than 11,000 containers.

Both the police and the Maritime and Coastguard Agency have freely acknowledged that the legislation cannot adequately cope with current conditions. Indeed, the multi-agency debrief report states that

"the agencies involved in the Napoli incident have now recommended a review of the adequacy of Part IX of the 1995 Act to determine whether it is 'fit for purpose' in dealing with large scale incidents where property is washed ashore."

Does the Minister agree that, in the light of events, it is time to reconsider the applicable legislation and make changes? If so, what time scale can we expect? Perhaps it is true that salvage, especially in my part of the world, was once part of local coastal behaviour, but theft and criminal damage is simply not appropriate or acceptable conduct in the 21st century.

Although the Napoli incident has done much to highlight weaknesses in our maritime legislation, it has also drawn attention to fundamental flaws in the global shipping industry. The marine accident investigation branch report showed that many containers were considerably above the weight shown in their papers. Indeed, the Napoli had arrived or departed from berths or other ports on several occasions at up to 122 per cent. of her maximum stress levels. That, along with the speed and loading, caused the ship to "break its back".

The discrepancy in weight of many of the containers is not unique to the Napoli; it is a dangerous feature of the industry that shippers deliberately under-declare containers' weights to minimise import taxes calculated

[Mr. Hugo Swire]

on cargo weight. That dangerous practice was a large contributory factor in the actual break-up and demise of the ship and must be stamped out. That clearly demonstrates that it is essential to weigh containers on the dockside before embarkation, and that the practice should now be mandatory. Will the Minister make that a legal requirement? If so, when?

Considering that a previous marine accident investigation branch report, published in September 2007, on the collapse of cargo containers on the Annabella, concluded that

"the safety of ships, crews and the environment is being compromised by the overriding desire to maintain established schedules or optimise port turn-round times",

what guarantees can the Minister give that he will ensure that recommendations made to the International Association of Classification Societies and the International Chamber of Shipping will be monitored, followed up and acted upon?

A further recommendation made by the inquiry is that the Government should make a general and permanent commitment to reimburse the extraordinary costs of handling the aftermath of an incident such as that involving the Napoli to the whole range of land-based bodies involved. Insurers have estimated the total bill for the wreck at £120 million, a sum that is second only to the $2.1 billion incurred in the Exxon Valdez case. With claims being met out of a £14.7 million limitation fund, claimants will be lucky to recover more than 20p to 30p in the pound. Instead, it is the taxpayers of East Devon and other affected areas who are being forced to make up the difference for costs such as policing and the use of the fire service, simply because they had the misfortune of having the event happen where they live.

Devon county council spent £44,000 on the clean-up, while Devon and Cornwall police estimate that they spent more than £320,000 on the operation. Those costs cannot even be claimed back from the insurers. For the many others who have put in claims, such as the fishermen and the Royal Society for the Protection of Birds, the sum that they can expect to receive is minimal. That is undoubtedly a case of penalising coastal areas for any unforeseen shipping incidents that may occur.

In an Adjournment debate that I secured two years ago, I raised the issue of insurance. In fact, I specifically asked for a reassurance that the pot would not run dry. I was reassured somewhat that on 29 March 2007 a spokesman for the Maritime and Coastguard Agency stated:

"The Government's mantra is that the polluter pays, and in this instance, a very large metal ship needs to be removed. That won't cost the public purse."

In fact, the cost to the public purse has been estimated at more than £10 million. Indeed, the then Transport Minister, the hon. Member for South Thanet (Dr. Ladyman), who is in his place this evening, stated in a parliamentary answer in January 2007 that the Department of Transport would not provide money for councils that incur costs as a result of pollution from ships. That contradiction is strikingly unfair to the taxpayers of the south-west, whose council tax bills are already among the highest in Britain, so will the current Minister now consider establishing a central fund along the lines of the Bellwin fund or, indeed, modifying that fund accordingly to meet such disasters?

Since the Napoli incident in January 2007, the adoption by the International Maritime Organisation of the Nairobi international convention for the removal of wrecks has demonstrated a positive and encouraging step forward on compulsory insurance and improving the prospects of cost recovery. The fact that the Government have not yet seen fit to implement that important legislation and that the various provisions of the draft Marine Navigation Bill, which would include the ratification of the ICRW, have not yet found their way into the legislative timetable demonstrates a woeful lack of commitment on the part of the Government. Can the Minister explain that?

The decision to beach the Napoli in Lyme bay—I am particularly pleased that my neighbour, the right hon. Member for West Dorset (Mr. Letwin), whose constituency looks over most of Lyme bay, is here this evening—was based on the area's sheltered waters. However, that brings me to the question why Lyme bay was viewed as a suitable place of refuge.

Mr. Oliver Letwin (West Dorset) (Con): As my hon. Friend knows, it was only by the grace of God that the ship ended up in his patch rather than mine, for which we are duly grateful. I am sure that he is as concerned as I am to discover that elements of the wreckage remain, entrapping fishermen's gear in Lyme bay. That points to the sensitivity of the area and to the questionability of having such a wreck end up anywhere in the bay.

Mr. Swire: My right hon. Friend is entirely right. I have been out with some fishermen and one only has to look at their radar and sonar scanners to see the large amounts of plastic and other debris in Lyme bay. It would be interesting to know whether the Minister thinks that they should be compensated, because a lot of that stuff has still not been recovered. However, my right hon. Friend is absolutely right, and I will come to why I think it questionable that a boat in that condition should have been anywhere near either of our coastal areas.

The Lyme bay area is part of a world heritage site and part of the Jurassic coast—I should declare that I am a trustee of the Jurassic coast trust—but it is also the subject of a fisheries exclusion zone, in recognition of its status as

"one of the UK's richest marine wildlife sites".

I would like to quote from a DEFRA document, "A summary of responses to the consultation on measures to protect marine biodiversity interests in Lyme Bay from the impact of fishing with dredges and other towed gear"—I do not know what the acronym for that is, but it would help if there was one—which was published in March 2008. The document states:

"The Bay hosts some of the UK's most important reef habitat and is considered to be both nationally and internationally important in conservation terms."

The Devon coast is an area that depends heavily on tourism and our coastline is very important to the economic and social well-being of our community. A new study, conducted by the non-profit regeneration consultancy Era Ltd, on the Jurassic coast suggests that it has exceeded expectations in bringing economic, social and cultural benefits to the region since it was awarded UNESCO world heritage site status in 2001. Its status has given a boost to the area of Dorset and East Devon in terms of learning and education, business opportunities, facilities and services, especially benefiting the local

tourism industry—and we in East Devon are rightly very proud and also very protective of maintaining this special coastline. Does the Minister consider that Lyme bay, given its recognised importance as a marine habitat and its UNESCO world heritage status, is an appropriate site to be used for a shipping emergency?

Lyme bay is also an important wintering site for many bird species and within two days of the beaching more than 900 birds were reported oiled. It is estimated that for every bird found oiled on the shore, between three and 10 times as many will have been oiled at sea. The wreck of the Napoli may also have threatened as many as 28 sites of special scientific interest, including the Exe estuary, Chesil beach and the Fleet SSSIs. Will the Minister therefore ensure that provisions specifically to keep ships away from environmentally sensitive areas, as my right hon. Friend the Member for West Dorset has just suggested, and legislation covering navigation are built into the Marine and Coastal Access Bill, particularly in the light of the Napoli incident?

The beaching of the Napoli was an event that highlighted serious deficiencies in many aspects of dealing with such an occurrence, which is why action must be taken now. This report must be heeded, the national contingency plan must be strengthened, maritime legislation must be adapted and a single person to take charge on land must be appointed. Only two months ago, police admitted that they were powerless to stop members of the public helping themselves to sawn timber that had washed up on the Kent coast, which had been lost by a Russian ship, the Sinegorsk.

For an island nation with a proud maritime heritage, it is now high time that the Government demonstrated some form of real commitment to the shipping industry and seaside communities and ensured that costly situations such as this are avoided in the future. The channel is one of the busiest shipping lanes in the world and although economic times are more constrained at present, with container ships less frequent along our coast than they once were, that is not to say that things will not pick up again.

Figures from Lloyd's Register-Fairplay show that as the world fleet has grown, so has the propensity for accidents to happen. In fact, the number of serious navigational accidents rose from around 30 in 2000 to more than 120 in 2006, and statistics now show that a ship is twice as likely to be involved in a serious grounding, collision or contact accident today compared with only five years ago. The grounding of the Napoli demonstrated the costly dangers to a marine nation such as ours, and while mistakes were made, this need not happen again. Instead, it is time to grasp this opportunity to learn lessons and implement real changes that can prevent these disasters in future. When will the Minister finally listen to what he is being told from all sides and implement effective change? If the Government are not simply paying lip service to marine conservation and planning, they will adopt the recommendations set out in the report.

Finally, I would like to add that without the professionalism and efforts of all those who worked tirelessly on the operation, including Robin Middleton, the SOSREP at the time, the situation could have been far worse. What I and those affected by this and similar incidents would like to see is these actions replicated on future operations on land. The Napoli incident has exposed many problems that must be taken seriously and addressed by the Government as soon as possible. This event could and should be used as a template for future containership casualties and provides an opportunity to frame legislation accordingly.

10.33 pm

The Parliamentary Under-Secretary of State for Transport (Jim Fitzpatrick): I begin by congratulating the hon. Member for East Devon (Mr. Swire) on securing this important debate. I am very pleased to see in their places the right hon. Member for West Dorset (Mr. Letwin) and my hon. Friend the Member for South Thanet (Dr. Ladyman), the distinguished former Shipping Minister, who is continuing to take an interest in these important matters.

With respect to the hon. Member for East Devon, I would suggest that the successful way in which the MSC Napoli was dealt with demonstrates the effectiveness of the UK's arrangements for handling incidents at sea and the professionalism of all those involved. Mr. Robin Middleton, whom the hon. Gentleman has just mentioned, was then the Secretary of State's Representative for Maritime Salvage and Intervention—commonly known as SOSREP. He came in for a good deal of praise, and rightly so.

Mr. Letwin: Let me make it clear, as I did at the time, that I have the greatest respect for the way in which the then Minister handled the situation—he kept us fully informed—and indeed the way in which the SOSREP handled it. The question is whether the ship should have been anywhere near there in the first place, which is a wider issue.

Jim Fitzpatrick: I hope, if I have time, to explain in a few moments the Government's position on where ships go if they run into difficulty.

The United Kingdom's handling of the MSC Napoli incident received widespread approbation domestically and internationally. Ever since establishing the SOSREP function, and whenever the subject of command and control of maritime incidents has come up for discussion in any forum, we have consistently expressed the view that the UK's system for dealing with them is exceptionally good. Nevertheless, there are lessons to be learned from shipping incidents even when they have been handled in an exemplary way, and the MSC Napoli incident is no exception. The Government identified a number of lessons, which were set out in the document entitled "MSC Napoli Incident: The Maritime and Coastguard Agency's Response". As the hon. Gentleman said, that document was issued in November 2008.

One of the most prominent lessons learned is about the communication of the role of SOSREP and the MCA to other bodies involved in incidents of this type. The emphasis in the MCA's counter-pollution and response branch has been on training courses for local authorities. We now realise that the MCA needs to inform other category 1 and 2 responders about the role of SOSREP in salvage and the role of other MCA units in counter-pollution activities, including the command and control procedures that are implemented at the scene of a maritime incident. We believe that briefing local resilience forums and strategic co-ordination groups, and conducting suitable exercises with other responders, may be a more effective way of explaining the procedures that are in place to deal with shipping incidents of this nature.

[Jim Fitzpatrick]

Communication is at the heart of another of the lessons that we have learned. Communication of the potential level of risk between the salvage control unit, where the most up-to-date information is available, and any land co-ordinated response organisation needs to be improved.

The document entitled "National Contingency Plan for Marine Pollution from Shipping and Offshore Installations" sets out the Government's response procedures. The plan is reviewed periodically to take account of lessons learned from the incidents that have occurred during that period. We consider that the next review of the national contingency plan should consider the scope for dealing with medium-sized incidents through the use of combined response centres. In such a scenario, the marine response centre and the salvage control unit could merge to form a single unit. During the review process, the MCA could also expand on mechanisms for dealing with beached material other than oil and chemicals.

In the next review of the plan, consideration needs to be given to the interface between the at-sea, shore and near-shore protection activities. The review also needs to address the issue of which bodies are best suited to carry out shoreline protection and clean-up, and consideration should be given to the interrelationships between the civil contingency representatives and the MCA.

There are still more lessons to be learned. The co-location of response units should be used whenever possible. A number of MCA officers should be trained specifically for the role of Acting Receiver of Wreck and for liaison with police gold commanders, and suitable procedures should be added to the operational manuals. The use of dispersant on more viscous oils should continue to be considered as a useful tool in future responses to oil spills of this type. That was demonstrated during the MSC Napoli incident with the use of dispersant on IFO 380, a quite viscous oil.

The MCA needs to explore with the other agencies involved how the process of preparing multiple environmental impact assessments for a range of options, and achieving agreement from all the authorities involved, could be expedited in future.

Action is being taken to follow up the marine accident investigation branch's finding that discrepancies in the declared weights of the containers on MSC Napoli were a contributory cause of the accident, a very important point raised by the hon. Gentleman. The International Chamber of Shipping and the World Shipping Council have published "Safe Transport of Containers by Sea, Guidelines on Industry Best Practice". When it met in December 2008, the International Maritime Organisation's maritime safety committee referred those guidelines, and the associated concerns about misdeclared cargo and the false or incomplete declaration of contents, to an IMO sub-committee for detailed consideration.

Let me turn to some other points raised by the hon. Gentleman. I am, of course, aware of the report of the local public inquiry which was conducted by Devon county council. The Government do not necessarily agree with all the conclusions and recommendations of the inquiry, but some of its recommendations are very close to the conclusions that we ourselves reached. We are currently considering the recommendations, and will respond in due course. The most prominent recommendation is, of course, the creation of a new post ashore, with powers of command and control on land which are equivalent to those that SOSREP exercises at sea.

The Government's position is that the Civil Contingencies Act 2004 provides the legislative framework for civil protection in the United Kingdom. That includes a well established generic national framework for managing emergency response, irrespective of the size, nature or cause of the incident. That framework is adapted to the particular needs of the emergency. By using an adaptable, but generic framework, rather than an incident-specific approach, it allows for the integration of emergency plans across agencies and boundaries, and ensures that all involved understand their roles and responsibilities, in a combined response.

Within that framework, the local management of an emergency is undertaken at three ascending levels—bronze, silver and gold commands—responsible, respectively, for operational, tactical and strategic command. I recognise, however, that in the case of the MSC Napoli a local gold command was not established, as the hon. Gentleman has outlined, until it became apparent that events on the beach were descending into disorder. It appears that local commanders, given the unprecedented nature of events, did not anticipate the effect that the beaching of that container ship would have, specifically with regard to the looting of property. I understand, however, that once gold command was established and SOSREP joined that group, control over the scene improved and co-ordination between the land-based and sea-based operations improved dramatically.

All that is not to say, however, that we are complacent. When the Civil Contingencies Act was enacted, there was an explicit intention to review it within three years. That will include recommendations contained in the recent report into the events following the beaching of the MSC Napoli.

The hon. Gentleman went on to recommend that the legislation that relates to salvage and wreck be clarified and updated. However, it would not be true to say that the existing merchant shipping legislation prevented the police from taking the necessary action after the beaching of the MSC Napoli. The law states that anyone finding or taking possession of wreck material, regardless of size or value, must report it to the receiver of wreck. Failure to report recovered wreck is a criminal offence. That was the initial information given, after the beaching of the MSC Napoli, to the media and to finders on the beach.

It was the actions of many of the people who came to Branscombe after the beaching of the MSC Napoli which clearly showed that what they were doing could not be categorised as "salvage". That compelled the Receiver of Wreck, MCA colleagues and the Devon and Cornwall constabulary to reassess the situation and to invoke the receiver's power under section 237 of the Merchant Shipping Act 1995 to use force if necessary against anyone who refuses to hand over recovered wreck material or attempts to conceal it or to keep possession of it. Accordingly, we do not envisage that the Government will be seeking to change the legislation on salvage and wreck on this account.

The hon. Gentleman referred to the local public inquiry's recommendation that the Government make a general and permanent commitment to reimburse the extraordinary costs of handling the aftermath of an incident from a central fund along the lines of the Bellwin fund. That is an issue on which further discussion needs to take place within government but, on the face of it, it appears problematic. The Government cannot make a generic commitment because every emergency is different, and incidents are considered on their individual merits.

The hon. Gentleman suggested that coastal areas that have national and international conservation significance should not be used as places of refuge in the event of a maritime incident. However, as the right hon. Member for West Dorset mentioned, this proposal is at variance with the UK's tried and tested policy for protecting our seas and coasts, which is that anywhere around the UK's coastline could be a place of refuge. When a ship in need of assistance requires a place of refuge, SOSREP inevitably takes account of all the factors that relate to that specific incident, such as the weather, the location, the type of threat posed by the vessel and its cargo. This established process allows SOSREP to determine the most appropriate place of refuge, minimising adverse consequences for any incident. It is important to stress that ships are not brought into a place of refuge in order to cause pollution. On the contrary, ships are brought into places of refuge to avert or minimise pollution.

Let me conclude by thanking the hon. Member for East Devon for his continued interest in the issues surrounding the handling of the MSC Napoli. I have tried to answer his concerns, although perhaps I have not done so to his complete satisfaction. We accept that this matter is of great importance, and it is to his credit that he maintains his interest and has secured the opportunity to raise this debate tonight. I assure him that we will follow up the issues he has raised.

Question put and agreed to.

10.44 pm

House adjourned.

House of Commons

Wednesday 25 March 2009

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Guyana

1. **Mr. Andrew Pelling** (Croydon, Central) (Ind): What work his Department is undertaking with the Government of Guyana to promote the preservation of the rain forest in that country. [266024]

The Minister of State, Department for International Development (Mr. Gareth Thomas): We regularly discuss forest protection with the Guyanese. We are working directly with the Government of Guyana, and through the World Bank, to help Guyana to conserve its rain forests. We expect a national consultation on that work to begin in Guyana next month.

Mr. Pelling: Will the Government consider proposing at the Copenhagen climate summit at the end of the year—as has been suggested in Guyana—international oversight of the Guyanese rain forest, so that it can become an important carbon sink and present a potential low-carbon investment opportunity?

Mr. Thomas: The short answer to the hon. Gentleman's question is yes, but, if I may, I shall give him a slightly longer answer. We need to get right the international oversight and the whole question of deforestation and forest degradation. The hon. Gentleman will know that a number of other rain forests are hugely important internationally, and we need to think about how best we can work with countries. We are giving resources not only directly to the Guyanese but to a number of other countries, to help them to deal with exactly this issue.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Does my hon. Friend recall that in January, in a reply to a question from me, his Department said that some of its officials would be meeting their opposite numbers in Guyana? Was that meeting fruitful, and has it been followed up? The question is all the more important because, as he will know, the loggers are not the easiest people with whom to deal.

Mr. Thomas: My right hon. Friend is right in saying that the loggers, particularly the illegal loggers, are very difficult to deal with. We have been working for some time, not only in Guyana but in a number of other developing countries, to help Governments to tackle illegal logging. As my right hon. Friend says, we have been meeting the Guyanese regularly, and we are helping them to develop a national strategy to manage their rain forest. As I said to the hon. Member for Croydon, Central (Mr. Pelling), a national consultation on those measures will begin shortly in Guyana.

Mr. David Evennett (Bexleyheath and Crayford) (Con): In 2005, floods caused economic damage to 60 per cent. of Guyana's GDP as a result of changing weather patterns. What is being done to help the poorest developing countries to adapt to the effect of changing weather patterns and climate change?

Mr. Thomas: We are working with a range of developing countries, including Guyana. The Department is not only providing resources directly through its bilateral budgets but is working closely with international organisations such as the World Bank. We are providing a number of developing countries with staff with expertise who will be able to help them to develop their own strategies for tackling climate change.

David Taylor (North-West Leicestershire) (Lab/Co-op): As the Minister knows, the great majority of the world's remaining rain forests are within the boundaries of developing countries. We have heard about the international supervision that may emerge in Guyana. What is the potential for a carry-over to other nations? I am thinking not least of the difficulties that can be caused by bribery, corruption and instability in the regimes of some of the countries where rain forests are located.

Mr. Thomas: My hon. Friend makes a key point, as did my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) before him. If we are to tackle the problem of deforestation, we must work with those countries to improve forest governance. We have already been working with the forest Ministries of a number of developing countries, and with other parts of their Governments, to tackle corruption and improve the quality of governance. I am sure that my hon. Friend will be interested to learn that from 1 April we shall be strengthening still further our public procurement guidelines on the use of timber from rain forests in developing countries more generally.

Greg Mulholland (Leeds, North-West) (LD): The Minister has described the support that his Department is giving to various areas, including Guyana. The Norwegian Government have just provided $1 million for the land regularisation scheme in Brazil, which is another area of concern. Does the Minister support that scheme, and is the Department funding it as well?

Mr. Thomas: We are not funding it directly as yet, but we are working with the Brazilian national bank, which is looking into the issue. The Brazilians have dramatically stepped up their work to tackle deforestation, and we have been working with a number of players, including the national bank, to support that work. The hon. Gentleman might recall from previous discussions that money is available from the climate investment funds at the World Bank. When it comes on line, Brazil may well wish to apply for direct help of that kind.

HIV/AIDS

2. **Mr. Russell Brown** (Dumfries and Galloway) (Lab): What recent discussions he has had with his international counterparts on global efforts to tackle HIV/AIDS. [266025]

The Parliamentary Under-Secretary of State for International Development (Mr. Ivan Lewis): DFID Ministers and officials maintain an extensive dialogue with key international partners. I have recently discussed AIDS issues with senior figures at the global fund, the World Health Organisation, the UN Population Fund and the World Bank, and with Ministers during recent country visits to Nigeria, South Africa and Uganda.

Mr. Brown: I thank the Minister for his reply. Thanks to the co-operation of branded pharmaceutical companies, generic competition in HIV drugs has reduced first-line drug prices for patient treatment from more than $1,000 a year to less than $100. As well as persuading his other Government counterparts to take HIV seriously, what more can the Minister do to persuade more companies to adopt an enlightened, co-operative approach and help reduce prices for second-line HIV drugs, which are so desperately needed as they do save lives, but which remain very expensive?

Mr. Lewis: My hon. Friend raises an important issue. Our aim is to reduce the cost of HIV/AIDS drugs by £50 million a year over the next few years. Only this week, I wrote to UNITAID asking it to set out a timetable for the launch of a patent pool for HIV medicines. I welcome GlaxoSmithKline's recent commitment to explore the potential for patent pools to make the development of new medicines for neglected tropical diseases easier, and I believe the time has now come for other pharmacological companies to respond positively to this initiative and join forces so that we can make the contribution to driving down prices and improving access to HIV/AIDS drugs.

Mr. Nigel Evans (Ribble Valley) (Con): Antiretroviral drugs are rightly being made more affordable and generally more available, thanks to the support of the United Kingdom, the United States of America and organisations such as the Bill and Melinda Gates Foundation. Education is vital, and we should be focusing some of our attention on prevention. What discussions has the Minister held with his opposite numbers about ensuring that education is made available so that the message about how people can avoid getting HIV in the first place can be communicated, and particularly about trucking routes in some countries, such as India, and in Africa?

Mr. Lewis: The hon. Gentleman makes a very important point. The new American Administration's recent announcement about removing some of the ideological and philosophical barriers that prevented us from engaging internationally on prevention and education presents an opportunity for the world community to come together and make a greater impact. We have announced an unprecedented commitment of £1 billion for the global fund and £6 billion to strengthen health systems, but the hon. Gentleman is right to say that we must look innovatively and imaginatively—perhaps through community leaders, faith group networks, informal networks and peer influence—at educating populations in every country. We have to use all the tools at our disposal to ensure that we get across the strongest conceivable message about HIV/AIDS. I also believe that the South Africans' change in policy will significantly help us in Africa.

Hilary Armstrong (North-West Durham) (Lab): My hon. Friend knows that HIV/AIDS particularly affects women and children in the poorest countries. What are he and the Government doing to work with other countries to make sure that at a time when the economic situation is giving such difficulty, particularly to the poorest countries, the international community none the less keeps up its commitment to supporting the poorest in tackling such tragic diseases as HIV and AIDS?

Mr. Lewis: My right hon. Friend is absolutely right, and I pay tribute to the tremendous work she has done over many years on these issues. The Prime Minister has made it absolutely clear that this is not the moment for the world to retreat from its commitment to the developing world, such as through his advocacy through the World Bank of a vulnerability fund to ensure we protect the most vulnerable at a time when the recession will hit them the hardest, and the reform of international institutions to make sure they are far more responsive to the needs of the developing world, and our hosting last week in London of a meeting of senior African leaders to ensure that they have a strong and clear voice in the forthcoming G20 summit. It is important that as we fix the international economic system we make sure that that fixing advantages, rather than disadvantages, the developing world.

Mr. Gary Streeter (South-West Devon) (Con): The Minister, to his credit, is known for his outspokenness. Will he make sure that his international counterparts recognise that confronting the dreadful disease that is HIV/AIDS is not just about access to drugs and condoms, important though those things are? If we are to tackle this disease, we must confront, head-on, the true cause: men behaving in a sexually promiscuous manner in too many countries throughout Africa and elsewhere. Will he impress upon his counterparts the fact that issues of public awareness and education are vital if we are to get under the skin of this disease?

Mr. Lewis: My right hon. Friend the Secretary of State said that I was not outspoken any longer—I rarely disagree with him, and I am not going to start now.

The hon. Gentleman rightly raises the important issue of the role of women in society, and highlights the fact that the way in which men in many developing countries see relationships is a major part of the problem. In that sense, we need strong political leadership to make clear the appropriate role of women in society and to empower women in local communities. We must make it clear that we give them the opportunity to fight for their rights. We also need a very clear zero-tolerance approach to violence against women to be enshrined in developing countries' legislation.

Mark Durkan (Foyle) (SDLP): Organisations such as Concern Worldwide stress the need for conditional linkages between the issues of HIV/AIDS, and nutrition and food security. Will the Government do more to support

efforts to integrate HIV prevention, mitigation, care and treatment with programmes dealing with livelihood, nutrition and food security?

Mr. Lewis: The hon. Gentleman makes a very important point; we need to make a link between rural communities, agricultural development, food security and diseases. We want increasingly, at a local level, to integrate our responses, bringing together health, education and food security. The aim is to operate in an integrated way, rather than in silos.

Andrew Stunell (Hazel Grove) (LD): The global downturn makes health care in the least developed nations increasingly problematic. Will the Minister reassure the House that the UK Government will press ahead with prevention programmes and will not be deflected either by the falling value of the pound or the sincerely held but mistaken views of others?

Mr. Lewis: The Prime Minister has made it absolutely clear that our commitment in respect of 0.7 per cent. of gross national income by 2013 remains as strong as ever, so there will be no retreating from our commitments. We are the second-largest bilateral donor in terms of health systems and the attack on diseases in the world—as I said in my answer to my right hon. Friend the Member for North-West Durham (Hilary Armstrong), this Government will not retreat from our commitments. More importantly, we will provide leadership on occasions such as meetings of the G20 and the G8 to make sure that other international leaders do not walk away from the commitments that they have made, largely as a result of leadership shown by our Prime Minister and this country.

Gaza (Reconstruction)

3. **Andrew Gwynne** (Denton and Reddish) (Lab): If he will take steps to ensure that funding under pledges for reconstruction in Gaza made at the Egyptian donor conference will not be channelled through Hamas. [266026]

5. **Mrs. Joan Humble** (Blackpool, North and Fleetwood) (Lab): To which programmes his Department plans to allocate the £30 million announced on 1 March 2009 for the reconstruction of Gaza; and if he will make a statement. [266028]

The Secretary of State for International Development (Mr. Douglas Alexander): Participants in the Sharm el Sheikh conference expressed their intention to deliver reconstruction aid to Gaza through existing international and regional financing mechanisms. The £30 million that I announced will be spent through those mechanisms and through non-governmental organisations that are not affiliated with Hamas and have robust monitoring systems. Priority programmes will include the repair of homes and schools, the clearance of unexploded ordnance and the short-term creation of jobs.

Andrew Gwynne: I thank my right hon. Friend for that answer, and I commend the British Government's commitment to getting aid into Gaza to support the urgent reconstruction. Given that Hamas recently stole United Nations aid and has allowed unexploded weapons under its guard to go missing, does he agree that it is now important to get an increased Palestinian Authority presence in Gaza to monitor the crossings and to free up the aid so that it gets to ordinary Palestinians, who desperately and urgently need that help?

Mr. Alexander: My hon. Friend raises a number of different points. When I was in Gaza recently, I took the opportunity to discuss with John Ging, the head of the United Nations Relief and Works Agency there, concerns about the misappropriation of any aid resources. He was able to assure me that at the point at which we met the supplies were getting through, and that we had robust monitoring mechanisms and continue to do so. On the Palestinian Authority, we of course welcome the fact that, under the auspices of the Egyptian Government, reconciliation talks are under way. On the specific issue that my hon. Friend raises about authority at the border posts, it is, of course, the European Union's position that we have offered assistance through the EU border assistance mission. We hope that we will be able to find a way through by a combination of the political reconciliation talks that are under way and maintaining in the minds of the international community the continuing importance of the Palestinian Authority.

Mrs. Humble: I welcome the Secretary of State's announcement about additional aid for Gaza, but what steps can he take to ensure that dual-use materials such as metal pipes do not fall into the hands of militants to be converted into weapons, but are used to improve the lives of the people of Gaza?

Mr. Alexander: There is of course a long-established and trusted list of dual-use materials. It is a matter of great regret, therefore, that that has not been the basis on which the Israeli Government have made judgments in recent weeks, when there have been long disputes about whether rice should be allowed into Gaza, although pasta is allowed in, or about whether paper should be allowed in. That gives a sense of the scale of the challenge that the international community continues to face. We have been clear and unequivocal that we do not want the misappropriation of any materials and in our condemnation of the continued rocket attacks on the Israeli population, but we have been equally robust in saying that there needs to be full and unfettered access for those items that constitute humanitarian provision.

Mr. Hugo Swire (East Devon) (Con): I am slightly surprised to hear the Secretary of State say that when he was in Gaza the head of UNRWA, John Ging, said that supplies were getting through, because that is not what he said to me when I was in Gaza recently, nor what he said to a cross-party group in this very place yesterday afternoon. He did say that UNRWA is unable to go about its business in Gaza because of a lack of armoured vehicles. He also said that UNRWA was chronically underfunded. Given that this country pledged £47 million at the outset of the crisis—very little of which has got into Gaza—will the Secretary of State now show some leadership by talking to the Israelis to insist that UNRWA armoured vehicles get through to Gaza?

Mr. Alexander: The hon. Gentleman is labouring under a misapprehension following my previous answer. The point that I was making about John Ging was that he was clear that the aid that he was supervising was getting through to the people of Gaza who required it and was not being misappropriated by Hamas. Consistent with the position that the British Government have taken, John Ging—speaking on behalf of UNRWA—has very deep concerns about the range of items being allowed through the crossings and into Gaza.

When I visited Gaza, I took the opportunity to meet Isaac Herzog, the Israeli Social Affairs Minister, and press directly the case about the armoured vehicles and the wide range of items that are not being allowed to enter Gaza. Only as recently as yesterday, those efforts were reinforced by one of my colleague Ministers who made the point again directly to Isaac Herzog. Of course, a new coalition is emerging in Israeli politics. Let us hope that the dialogue that we have begun in recent weeks—although it has not achieved what we would all wish to see—makes more progress in the weeks ahead than it has done so far.

Mr. Gregory Campbell (East Londonderry) (DUP): It is essential, of course, that every assistance possible be given to the innocent people in Gaza, but can the Secretary of State assure people in the United Kingdom that that assistance will not be misappropriated by those who caused the problems in Gaza in the first instance?

Mr. Alexander: I have just explained that we use tried and tested mechanisms that provide robust supervision. Oxfam, an organisation with which the hon. Gentleman will be familiar, now distributes drinking water by water tanker to up to 60,000 people every day in the worst-affected parts of Gaza. Since 27 December and the outbreak of the conflict, the World Food Programme has distributed two months of rations to more than 296,000 people in Gaza, and UNRWA, the organisation led by John Ging, is reaching up to 1 million beneficiaries with food assistance. Those are practical examples of the difference that the generosity of the British people and others in the international community is now making to the lives of ordinary Gazans.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): My right hon. Friend personally, and this Government, have a magnificent record in assisting Gaza, but is it not lamentable that the money that he provides simply goes to rectify the wanton devastation inflicted savagely by Israeli forces in Gaza? Does he agree that the real obstacle to reconstructing Gaza is not Hamas, loathsome though it is, but what is about to become the most extremist Government in Israeli history?

Mr. Alexander: We have been unequivocal in our condemnation of the rocket attacks that have continued from Gaza into the Israeli population, but we have been equally clear that the Government of Israel have heavy responsibilities. One of the most dispiriting aspects of my visit to Gaza was sitting with a group of Palestinian business people who told me of their investments in factories in Gaza in recent years—at a cost of being called quislings by the Hamas authorities because they were willing to trade with Israel—and of how, during the final hours of the conflict, ahead of the unilateral declaration of the ceasefire, they watched the devastation of the industrial region of Gaza when there was no apparent activity from Hamas forces in that part of the territory. There is a huge amount of work to be done and it is vital that the humanitarian effort continues, but, beyond the humanitarian effort, it is critical that a comprehensive middle east peace plan emerges in the weeks ahead. I hope and trust that the new Israeli Government under formation at the moment will take that forward.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): The Secretary of State will be aware of growing concerns in the NGO community about the apparent contradiction between EU and UK law on whether NGOs can continue to support public officials such as teachers and nurses. Will the Secretary of State offer some clarity and confirm that British NGOs will be able to continue to provide vital services in Gaza without the fear of prosecution under EU law?

Mr. Alexander: The position that the British Government have adopted for some time has not changed. We urge the agencies involved to maintain the greatest possible distance from Hamas. We recognise that there might be circumstances in which there is proximity within Gaza, given Hamas's present role, but none the less we are clear that those mechanisms that I have spoken of already need to be upheld. We need to be able to offer assurances to the British people that the aid to which they have generously contributed is not being misused and misappropriated.

Mr. David Winnick (Walsall, North) (Lab): Will the Secretary of State bear in mind in these exchanges that the appalling devastation in Gaza was brought about by Israel? More evidence has come to light in the past few days that Israel has in fact committed war crimes in Gaza—crimes against humanity. Although I have no time for Hamas at all—obviously not—the fact remains that far more should be done by the international community first and foremost to help the people of Gaza and secondly to try to ensure that those who have committed war crimes are brought to justice.

Mr. Alexander: I hope that my answers today have given some comfort to my hon. Friend that we are taking decisive action in providing the humanitarian support for which I know there is widespread support on both sides of the House. We are extremely concerned by the reports of killings of innocent civilians during Operation Cast Lead. The Israeli Government are carrying out an investigation into the allegations, led by Defence Minister Ehud Barak, and he has stated that the findings will be examined seriously. It is important that these investigations are carried out, not least given the severity and seriousness of the charges that are being levelled.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): Two months on from the end of the conflict, as hon. Members have pointed out, the humanitarian situation in Gaza remains absolutely desperate. We all accept that we must take every measure to avoid aid being diverted by Hamas to other ends, but the Secretary of State himself has expressed concerns about the Israeli Government, who are allowing through only about a fifth of the humanitarian assistance that the NGOs and others say they need. Is it not time that

the Secretary of State spelled out what steps the Israelis must take to let that assistance in and what will happen if they do not do that? For the sake of the NGOs, will he spell out the difference between legitimate co-ordination with officials in Gaza and illegitimate engagement with Hamas?

Mr. Alexander: I have of course met the NGOs that are working in Gaza. I reiterate at the Dispatch Box today that if they have concerns they can come and talk to us directly in the Department. In relation to the point on the Israelis, the hon. Gentleman is right to recognise that we continue to have deep concerns about the level of access that is being denied—in terms not simply of the quantity of aid, but of the range of products that are being allowed in—and about international aid workers' inability, in certain circumstances, to enter Gaza to offer their expertise in the light of the continuing humanitarian situation. That is why I have raised that issue with the Israeli Government and why, only yesterday, we once again raised it with Isaac Herzog, the Social Affairs Minister.

St. Helena

4. **Anne Snelgrove** (South Swindon) (Lab): When he expects the consultation on options for access to the island of St. Helena to conclude. [266027]

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): We expect the consultation to start in April and take 16 weeks. The consultation document will set out details of the timetable and of how people can participate. We will run the exercise in line with the Government's code of conduct for holding public consultations.

Anne Snelgrove: As my hon. Friend is aware, Swindon has the largest St. Helena community outside London. What hope can he give my constituents, who are British citizens, that their families will not be left stranded and that the consultation will not delay the introduction of 21st century transport links for that very remote island?

Mr. Foster: My hon. Friend is always a keen advocate for her constituents, especially the Saints in Swindon. I reassure her that the consultation document, when it is produced, will make it absolutely clear that we remain fully committed to providing access to St. Helena.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Is the Minister aware of the view across the House that the Government are guilty of a breach of faith and of dithering in their handling of this matter? What will the new consultation tell him that he does not already know from the past nine years of this process?

Mr. Foster: I do not recognise the circumstances that the hon. Gentleman describes. I am not going to prejudge the outcome of the consultation exercise, but I look forward to reading his contribution—and perhaps that of his constituents on the Falcon Lodge estate in Sutton Coldfield, for instance—to see whether they think that it is right, in the current economic circumstances, to spend the amount of money that is being considered on an airport for St. Helena.

Mr. Mitchell: Does the Minister not understand that Ministers' handling of this matter has been shameful, as the hon. Member for Sheffield, Heeley (Meg Munn), the respected former Foreign Office Minister, has eloquently explained? The people of St. Helena are British citizens, so do we not have a duty to them to resolve this issue? Is not it time that he and his colleagues got a grip?

Mr. Foster: At a time of global downturn, we are talking about 50 million people around the world being unemployed. An extra 90 million people will earn less than $1.25 a day, and it is expected that an extra 3 million children will die as a result of the global downturn. We have to take all those circumstances into account when making a decision about spending the amount of money that we are talking about on an airport for St. Helena.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [266009] **Joan Ryan** (Enfield, North) (Lab): If he will list his official engagements for Wednesday 25 March.

The Leader of the House of Commons (Ms Harriet Harman): I have been asked to reply. My right hon. Friend the Prime Minister is today in New York, meeting UN Secretary-General Ban ki-Moon as part of a range of meetings to discuss the world economy, prior to the G20 meeting in London.

Joan Ryan: When I met my constituents in Highway ward on Saturday, they told me that the single biggest issue was their rising fear of burglary. Measures such as the security fund that help people to make their homes more secure are very important and necessary. Will my right hon. and learned Friend give me an assurance that the Government will do all they can, while working closely with the police, to combat that growing fear?

Ms Harman: The Home Secretary can give that assurance, as do I. Against the background of concern about burglary, I know that my right hon. Friend the Member for Enfield, North (Joan Ryan) will reassure her constituents that there are more police on the beat and tougher penalties against those who are caught and prosecuted. I know that she supports police community support officers, and she can reassure her constituents that burglary across London has fallen by half.

Mr. William Hague (Richmond, Yorks) (Con): Three weeks ago, I asked the right hon. and learned Lady about the Government's failure to implement the working capital scheme, which is meant to provide loan guarantees to help businesses. She said then that the scheme was being finalised. The scheme has received state-aid clearance from the EU, and the Government said that it would be up and running from 1 March. Is it not unacceptable that it is still not up and running, and that still no loans have been guaranteed under it?

Ms Harman: As the right hon. Gentleman said, we now have state-aid approval for that working capital scheme, and I can tell the House that, under the agreement with Lloyds and the Royal Bank of Scotland, £5 billion will now be released to business. The tax payment deferrals, which give businesses direct cash help through deferring their tax payments, have meant help for 93 businesses all around the country—*[Interruption.]*

Mr. Speaker: Order. Let the Leader of the House reply.

Ms Harman: If the Opposition had their way, it would not even be 93 businesses, but under our programme it is 93,000 businesses. We are taking action to give direct support to businesses and to families, and to back up the economy in the face of an unprecedented global financial crisis.

Mr. Hague: More than 2 million people are now unemployed in this country, and thousands of businesses have gone under. The job recruitment scheme announced in January has been delayed until April. The mortgage support scheme is also not up and running. This is a matter of cross-party concern. The hon. Member for Coventry, North-West (Mr. Robinson)—he knows a lot about loan guarantees—said on the radio this morning:

"We have always been behind the game...As far as industry is concerned we don't have those schemes working yet."

Does the right hon. and learned Lady not agree with her hon. Friend, with all his Treasury experience, that the Government are still behind the game?

Ms Harman: The right hon. Gentleman is wrong about the job recruitment scheme. We said that the extra help for people who have been unemployed for six months would come in from April this year and it is on target. There would be more unemployed if there were the cuts in capital that the Tories propose. It would be more difficult for the unemployed if there were cuts in jobcentres. The reality is that we are putting money into the economy, with a fiscal stimulus for money direct to businesses and to families, whereas the Opposition would take no action and make the recession worse and longer.

Mr. Hague: My party called for a national loan guarantee scheme all the way back in November and the Government have dithered about it ever since. They are all over the place. The Prime Minister is on his way to Chile. The Business Secretary has just arrived in Brazil. Should he not be implementing those schemes instead of unpacking his Speedos on a Latin American beach? Is it not time to get on with those things?

On the fiscal stimulus, yesterday the Governor of the Bank of England warned against another significant round of fiscal expansion when the deficit is already as big as it is. This morning, the gilt auction has apparently failed for the first time in many years. Was the Governor of the Bank of England not right to give that warning?

Ms Harman: As far as the gilts are concerned, the head of the Debt Management Office has said it would be wrong to read anything into the result of one auction. He says that

"the amount of debt we are raising is sustainable."

The Opposition's proposal for a loan guarantee scheme would not have guaranteed anything to anyone because there was no money behind it. On the action we are taking in the face of an unprecedented global financial crisis, in November, in the pre-Budget report, we said we would have a fiscal stimulus to help with investment in housing, in transport and in apprenticeships. That is what the country needed. The country needed it and the Governor of the Bank of England backed it—only the Tories opposed it.

Mr. Hague: I now notice that the Government are too ashamed of the VAT cut to mention it in the list of what they did last November. Let us be absolutely clear about what the Governor of the Bank of England said yesterday:

"I think the fiscal position in the UK is not one where we could...engage in another significant round of fiscal expansion."

For a Governor of the Bank of England to speak in that way, ahead of a Budget, is exceptional and extraordinary, especially when the Prime Minister was in the very act of proclaiming a fiscal stimulus before the European Parliament. It is a defining moment in the debate in this country about how to deal with the recession. Today, the right hon. and learned Lady speaks for the whole Government and the Chancellor is sitting alongside her. Do they agree with the Governor of the Bank of England? Yes or no?

Ms Harman: I agree with the right hon. Gentleman that it is a defining time, because whereas we take the necessary action, the Conservatives would do nothing. It is a defining time because this weekend, they decided to press ahead with their plans for tax cuts for just 3,000 millionaires. At the same time, they preach financial rectitude.

The right hon. Gentleman said that I had missed out the VAT cut; well, I am sorry, and I will rectify that. I will mention the VAT cut, which will put £275 into the budget of every family in this country. I will also mention the help for pensioners that started in January this year. I will mention the help with extra child tax credit. The big, defining dividing line is that we want to make sure that we give help to 22 million families with tax cuts, whereas the Conservatives' priority is to give £200,000 each in tax cuts to just 3,000 millionaires.

Mr. Hague: The question was about the Governor of the Bank of England. I know that inheritance may preoccupy the niece of the Countess of Longford, but it is no good attacking our policy, which is to reward people who have saved hard and worked hard all their life, and which, when we announced it, the Government tried to copy. Let us be very clear what the Governor of the Bank of England said:

"I think the fiscal position in the UK is not one where we could...engage in another significant round of fiscal expansion".

The question to the Leader of the House today is whether she agrees with the Governor of the Bank of England—yes or no?

Ms Harman: The Budget will be on 22 April. The Governor of the Bank of England agreed with us when he said that our fiscal stimulus was "perfectly reasonable and appropriate". When it comes to fiscal measures, how can the right hon. Gentleman justify £2 billion of public money being squandered on 3,000 of the richest people in this country? That is unfairness and irresponsibility.

Mr. Hague: The CBI said this week of the British economy that

"a further significant fiscal stimulus is unaffordable".

The ITEM Club said that

"there is really very little room for manoeuvre".

The chief executive of the Audit Commission said that we are facing an "Armageddon scenario" because of the "scale of indebtedness". The Governor of the Bank of England said the words that I have now read out twice to the right hon. and learned Lady—that this country cannot afford another substantial, significant fiscal stimulus. May I give her, in my last question, a third opportunity to agree with the Governor of the Bank of England? Otherwise, the nation will rightly conclude that the Government are now in open disagreement with the Bank of England, and are no longer in control of either the public finances or the policies of this country. Yes or no—does she agree with him?

Ms Harman: This country will rightly conclude that while the Tories say that they have changed their ways, they have not. I want to make it quite clear that while we are investing—we will continue to invest—they call for cuts. When our Prime Minister is working with world leaders, they drift off to Europe's far right. While we are giving tax cuts to millions of people, they would give tax cuts only to millionaires. They have set out their stall: it is the millionaire's manifesto.

Hon. Members: More, more!

Mr. Speaker: Order.

Ms Sally Keeble (Northampton, North) (Lab): Is my right hon. and learned Friend aware of the predictions of a serious increase in youth unemployment this summer? Does she therefore agree with the independent member of the Monetary Policy Committee and others, who think that there should be a strong fiscal stimulus specifically targeted at ensuring that young people can get jobs this summer?

Ms Harman: The extra investment of £2 billion in our jobcentres will particularly help young people. We have made more investment in training, and a central part of the fiscal stimulus is more investment in apprenticeships. I fully support the points that my hon. Friend makes.

Dr. Vincent Cable (Twickenham) (LD): Yesterday we had a very British coup d'état when the Governor of the Bank of England sent his tanks down the Mall, effectively seized control of the British economy through his command of monetary policy, and put the Government under house arrest. If the Prime Minister still thinks it is worth his while returning from a sunny exile in south America, what freedom of manoeuvre do he and the Government have in respect of taxation and public spending?

Ms Harman: I know the hon. Gentleman understands that it is important that we work internationally as well as taking action in this country. It is important that every Government in the world support their economy so world trade can get going again. I know that he agrees with that, so I do not know why he decries the international action that the Prime Minister is taking. With reference to the Bank of England, it was this Government who made the Bank of England independent as to its interest rates.

Dr. Cable: I think this discussion is about what the Government do at home, as well as what they do abroad. Would it not be sensible for the Government to concentrate now on taxing and spending more efficiently and fairly, to withdraw the pointless cut in value added tax, using the money to focus it on targeted investment in affordable housing and public transport, and to provide a tax cut for people on low pay, paid for—fully financed—by people who are very wealthy and who, under this Government, have enjoyed extraordinary tax reliefs, allowances and tax avoidance opportunities?

Ms Harman: The VAT cut was one of a range of measures and it is only temporary, for one year. We agree with the hon. Gentleman about the importance of investing in housing and public transport. We agree with him, too, that when it comes to bringing the public finances back into balance, it must be done fairly. Those who can afford most should contribute most. That is why we propose a new top rate of tax of 45 per cent. on income over £150,000. I hope that he will support it, even if the Tories will give support only with tax cuts for millionaires.

Liz Blackman (Erewash) (Lab): MRSA and C. difficile rates are falling significantly at Nottingham University Hospitals NHS Trust, Derby Hospital NHS Foundation Trust and Ilkeston community hospital, all of which serve my constituents. Is this not down to the hard work of NHS professionals, coupled with the targeted investment put in by the Government? Will my right hon. and learned Friend take the opportunity to congratulate all involved?

Ms Harman: I will. I know that my right hon. Friend the Secretary of State for Health has led that, and has led the NHS team in making that a target so that patients in hospital know that they can be safe. That is a result not only of the extra investment, but of the hard work from cleaners through to nurses, doctors and all the teams in the hospitals. I agree with my hon. Friend.

Q2. [266010] **Lembit Öpik** (Montgomeryshire) (LD): A new European Commission report shows that despite prohibition, the illegal drugs trade is thriving, creating what United Nations drugs director, Antonio Maria Costa, calls a "staggering" criminal market, destabilising health policies and entire countries. Will the Leader of the House convey my request to meet the Prime Minister to propose a comprehensive impact assessment of current drugs policy, so that we can start tackling this crisis in an evidence-based way?

Ms Harman: I will pass on the hon. Gentleman's request for a meeting with the Prime Minister, who I know will agree that we need to provide all the support we can to those who have become addicted to drugs, and crack down hard on the dealers and traffickers.

Mr. Andrew Dismore (Hendon) (Lab): Is my right hon. and learned Friend aware of Conservative Barnet council's scheme to cut entirely the warden service for its sheltered tenants? This is causing considerable fear and anxiety among—*[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman is allowed to be heard. [HON. MEMBERS: "Reading."] Order. Let me decide. If he is doing anything wrong, I will decide.

Mr. Dismore: The Conservative council's plan to cut the warden service is causing considerable fear and anxiety among many elderly and vulnerable people in my constituency, who rely on the wardens not just for safety, security and reassurance, but for the small things that make life worth living—

Mr. Speaker: Order. The hon. Gentleman has been here long enough to know that a supplementary should not be read. Perhaps he could put the note down and ad lib.

Mr. Dismore: Will my right hon. and learned Friend raise the matter with the leadership of Barnet council? Does she agree that it is a case of same old Tories, same old cuts?

Ms Harman: That is why we will defend public investment and public services, and make sure that the economy can be put back on the path to growth so that we can protect people in this country, such as my hon. Friend's older constituents.

Q3. [266011] **Bill Wiggin** (Leominster) (Con): Will the Leader of the House help save 225 jobs at Polytec Holden in Bromyard? The company makes components for car manufacturers, and the Royal Bank of Scotland, which has had £45 billion of taxpayers' money, will not lend it money to tool up. Will the right hon. and learned Lady arrange a meeting between my constituents and the noble Lord Mandelson, so that we can co-ordinate funding from a state-owned bank to a state-sponsored car industry?

Ms Harman: I will arrange a meeting between the hon. Gentleman and his constituents and the Business Secretary. We are determined to make sure that we help those who are working hard in important British industries such as the automotive industry.

Angus Robertson (Moray) (SNP): President Obama's economic fiscal stimulus package is worth $787 billion, and more than half that is being spent at state level. In contrast, in the UK the Labour Government, supported by the Conservatives, are cutting devolved public spending by £1 billion in Scotland, by £500 million in Wales and by more than £200 million in Northern Ireland. How can that be sensible or socially just?

Ms Harman: We are not cutting investment in Scotland and Wales—far from it. But we are saying—and I am sure that the hon. Gentleman would agree with this—that at a time when public spending is tight, we need to make sure that every single penny of it is wisely spent.

Q4. [266012] **Mr. Julian Brazier** (Canterbury) (Con): Yesterday, the Government announced their national security strategy. After the 7/7 bombings, the then Prime Minister made it clear that his highest single priority was the deportation of foreign terror suspects from this country. Can the right hon. and learned Lady tell the House how many foreign terror suspects have been deported?

Ms Harman: My right hon. Friend the Home Secretary has said that we have excluded 150, and we are absolutely clear that we will take action to deport those who are a threat to national security. I am sure that we are all in total agreement on that point.

Tony Lloyd (Manchester, Central) (Lab): Suppose that the Government were to seek advice from either side of the House about the gross unfairness of bunging a few rich people tax cuts while the majority saw tax increases; that is what would happen if the Tories' inheritance tax proposals went ahead. Would my right hon. and learned Friend prefer the advice of the shadow Business Secretary before or after he was muzzled?

Ms Harman: The shadow shadow Chancellor gave his right hon. Friends the opportunity to find their way out of the decision that they had made, and they unwisely chose to ignore it. What are people to make of a party that opposes tax cuts for 22 million people and, instead, chooses to squander £2 billion of scarce public money on the super-rich?

Q5. [266013] **Mr. Philip Dunne** (Ludlow) (Con): The Armed Forces Pay Review Body submitted its report to the Prime Minister on 29 January. Why should our personnel serving in the field still have no idea whether they will get any pay rise by Wednesday next week? Does the delay reflect more about the Government's attitude towards the armed forces, or is it another example of dithering incompetence?

Ms Harman: The Government have been unswerving, and rightly so, in our commitment to our armed forces. The Minister of State for Defence will open a full day's debate on the armed services tomorrow, and I am sure that he will address that point.

John McFall (West Dunbartonshire) (Lab/Co-op): President Obama has written an article today that says that trillions of dollars have been lost in the world economy, banks have stopped lending and tens of millions of people will lose their jobs. Will I get an undertaking that the Prime Minister will work with President Obama to ensure that the message goes out that people and their futures matter in the economy and that this Government will ensure that employment is at the top of the G20 agenda?

Ms Harman: My right hon. Friend's passion and commitment on this issue shows that he takes the view that we do—that the action that we are taking on the economy is to protect people who otherwise face the threat of losing their jobs or their homes. As for the fiscal stimulus that we have undertaken, this country needs it, and all other countries are now looking to do it: only the Tories oppose it.

Q6. [266014] **Andrew Stunell** (Hazel Grove) (LD): Can the right hon. and learned Lady ask the Prime Minister to reassure my constituents that when he recently met the President of the United States, he picked up some tips about getting back ill-gotten bonuses from overpaid bankers? Can she set out for the House the start date for doing so, or, if not, at least the Prime Minister's timetable for beginning to think about it, or if all else fails, his aspirations for a miracle?

Ms Harman: The Prime Minister has made it absolutely clear that there should be no reward for failure and that he does not want banks taking risks with other people's money. The Financial Services Authority, under Lord Turner, has issued a report on tightening up financial regulation and remuneration policy. We are working internationally on this as part of the G20 agenda. As far as Sir Fred Goodwin is concerned, UK Financial Investments Ltd. is on to it.

Dr. William McCrea (South Antrim) (DUP): Does the right hon. and learned Lady understand that there is considerable anger in Northern Ireland today about the fact that a number of suspects being questioned in relation to the terrorist murders of two young soldiers in my constituency of South Antrim and of police officer Stephen Carroll have been released by order of the court because of technicalities? Will she and the Government assure my constituents that everything will be done to ensure that justice is done and that evil men are taken off the streets of Northern Ireland?

Ms Harman: I can absolutely assure the hon. Gentleman that that is the situation. We want to ensure that those who have committed this atrocious crime are brought to justice. We support the police and the prosecuting authorities in their work, and we support the peace process.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Will my right hon. and learned Friend support the establishment of a national centre for asbestos-related diseases, which would be a virtual centre committed to finding better treatments and a cure?

Ms Harman: We support the work to carry out research on finding the causes and cures of work-related diseases. I pay tribute to my hon. Friend for the work that he has done in the House of Commons over many years to bring to the House's attention the tragedy of people simply going to work and being made ill by their work. We have put £12 billion extra into our science budget, part of which is for research that will find the treatments and cures that he has asked for.

Q8. [266016] **Mr. John Baron** (Billericay) (Con): Now that the Information Commissioner has ruled that the Government have been wrong, on several counts, to refuse my request for a list of possible sites for the new Titan prisons, will they now abandon their policy of choosing sites without consulting local residents and publish that list of sites so that local people and stakeholders can have their say? Otherwise, all the rhetoric from the Prime Minister saying that he wants greater transparency in politics will be seen to be nothing more than hot air.

Ms Harman: The Justice Secretary assures me that there will always be consultation when such developments are being considered. If the hon. Gentleman has a particular concern about his constituency, I am sure that he can meet one of the ministerial team to discuss it.

Mary Creagh (Wakefield) (Lab): Wakefield metropolitan district council has set up an innovative mortgage assistance scheme which, in the first six months of its operation, has prevented 11 families from becoming homeless. Does my right hon. and learned Friend agree that more councils should adopt that sort of scheme to show that local government is on people's side during the recession rather than telling them that they are on their own?

Ms Harman: It is very important that we do not leave people to sink or swim and do not say that the recession should take its course, and that we step in to help people who fear that the loss of their job or a fall in their income might cause the loss of their home. That is why we have put extra investment into the social security budget to enable people to claim help with their mortgage interest after 13 weeks instead of 39 weeks; it is estimated that that has already helped 10,000 people. I am glad to hear that my hon. Friend's local council is working to that effect as well.

Q9. [266017] **Simon Hughes** (North Southwark and Bermondsey) (LD): For every pound spent by Governments around the world on conflict prevention, about £2,000 is spent on military and defence budgets. Can the right hon. and learned Lady give any assurance to the parliamentarians from around the world meeting in London this week to discuss conflict prevention that there will be a greater UK Government commitment to conflict prevention and, in the short-term, to bringing about a resolution in Sri Lanka?

Ms Harman: The hon. Gentleman is right to draw the attention of the House to the situation in Sri Lanka, which remains grave. The Government are committed to supporting a range of conflict prevention, stabilisation and peacekeeping activity, focusing on countries where the risk of impact of conflict is greatest. We have had an unprecedented increase in our international development budget, part of which was to deal with conflict resolution. Conflict resolution involves international action—not just this country working alone, but with other countries around the world.

Q10. [266018] **Andrew Gwynne** (Denton and Reddish) (Lab): Some 150 jobs will be lost at the *Manchester Evening News* and other Greater Manchester Weekly Newspapers as all the local newspaper offices are closed, and great titles such as the *Tameside Advertiser* and *Stockport Express* are consolidated in central Manchester. Does my right hon. and learned Friend agree that local newspapers are the lifeblood of local democracy, and will she join the Greater Manchester MPs in calling on the Guardian Media Group to think again?

Ms Harman: I absolutely agree with my hon. Friend. It is certainly the Government's position that local and regional newspapers, radio and television are important and, as he says, part of the lifeblood of this country. That is why Lord Carter and the Secretary of State for Culture, Media and Sport are working on this important issue, which was raised in a debate in this House last Thursday.

Q11. [266019] **Justine Greening** (Putney) (Con): South Thames college in Wandsworth was advised by the Learning and Skills Council to submit its redevelopment programme in two halves. The first half of that project is complete, but the second half now hangs in the balance. If it is not finished, the students' learning

environment will be severely disrupted. Does the Leader of the House agree that it is madness to put such projects on hold, and can she assure South Thames college that it can finish the project that it started?

Ms Harman: This Government support better further education and more investment in colleges—[HON. MEMBERS: "We all do."]—in my constituency as well as hers. Opposition Members say, "We all do." Actually, no. Their policy is to cut funding for it by £600 million. I am sorry, the hon. Lady might not remember this because she was not in the House at the time, but when we came into Government, does she know how much money was in the further education college budget? Precisely zero pounds, and we have increased it by £1 billion. She can leave it to us: we will invest in further education. But if her party got into government, that would be the end of it.

Speaker's Statement

12.33 pm

Mr. Speaker: I have looked into the circumstances surrounding the publication of the White Paper on the UK's strategy for countering international terrorism, which were raised by the hon. Member for Reigate (Mr. Blunt) yesterday. I regret that Members were not able to get hold of that document earlier, after it had been laid. In future, I shall require Government Departments to make copies of documents available in the Vote Office as soon as they are formally laid in the Journal Office.

Points of Order

12.34 pm

Angus Robertson (Moray) (SNP): A few moments ago, in a question to the Leader of the House, who is leaving the Chamber as I make this point of order, which is unsurprising, I asked about the UK Government's plans for public spending cuts in Scotland, Wales and Northern Ireland. Those cuts have been discussed by the Prime Minister and the First Ministers of Northern Ireland, Wales and Scotland. They are a matter of fact, but the Leader of the House, from the Dispatch Box said, "We are not cutting public spending". Only three short weeks ago, in reply to a question from my hon. Friend the Member for Meirionnydd Nant Conwy (Mr. Llwyd) regarding the knighthood of Sir Fred Goodwin, the Leader of the House was forced to correct what she said in this Chamber. How can we secure a change, today, on this question?

Mr. Speaker: The hon. Gentleman must not use points of order to extend Prime Minister's questions, at which the Leader of the House was deputising for the Prime Minister.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Further to that point of order, Mr. Speaker.

Mr. Speaker: It was not a point of order, so there cannot be any "further" to it.

Mr. Gregory Campbell (East Londonderry) (DUP): Further to that point of order, Mr. Speaker. When can we get clarification of the statement from the Leader of the Houses and of the factual position, as it was outlined to the First Ministers of the three devolved legislatures?

Mr. Speaker: The hon. Gentleman must seek a debate at some stage in the proceedings.

Mr. Llwyd: On a point of order, Mr. Speaker. Much obliged to you. The Labour First Minister in Wales is fighting the £500 million cuts that the Leader of the House denied today. I wonder why he is doing that.

Mr. Speaker: You will have to ask the First Minister. He is a very nice man and I am sure that he will be able to answer you.

Cohabitation

Motion for leave to introduce a Bill (Standing Order No. 23)

12.35 pm

Mary Creagh (Wakefield) (Lab): I beg to move,

That leave be given to bring in a Bill to provide certain protections for persons who live together as a couple or have lived together as a couple; and for connected purposes.

In the summer of 2006, I met a woman in Wakefield who was homeless. My constituent and her 14-year-old daughter were both sleeping on sofas in the living room of a friend's one-bedroom flat. The woman's long-term relationship had broken down. She had lived with her male partner for many years, brought up their child, and contributed to all household bills. However, when their relationship broke down, my constituent was entitled to nothing from her ex-partner. She moved out of the family home, to which she was unlikely to be entitled to a share unless she could prove to a court that there was a common intention of joint ownership, either by agreement or by financial contribution to the property. The courts could not consider what might be a fair outcome because she was not married. My constituent and her daughter were left destitute. She had discovered, in the hardest possible way, that there is no such thing as common law marriage. The burden of providing for her and her daughter fell on the state and the taxpayer.

I was delighted to discover at the time that the Law Commission had published a consultation paper on cohabitation in May 2006. It produced its final report in July 2007, which stated:

"The result of the current law's inadequacy is hardship for many cohabitants on separation, and as a consequence, their children... And in many cases relationship breakdown may lead to reliance on the State in the form of claims to welfare benefits and social housing".

My right hon. and learned Friend the Leader of the House told the House in October 2006 that legislation would be introduced in 2007 to give new legal rights to the 4 million people who live together. Those rights would also protect their 1.25 million dependent children—children who have no choice about their parents' living arrangements, but suffer devastating hardship on the breakdown of their parents' relationship. The old label for those children was illegitimate. Here and now, in the 21st century, they remain literally illegitimate—outside the law. In March 2009, here we are, still awaiting the Government's proposals.

The case for reform was and remains clear. It is long overdue. In 2004, the General Synod of the Church of England passed a motion, which reaffirmed the centrality of marriage but also

"recognises that there are issues of hardship and vulnerability for people whose relationships are not based on marriage which need to be addressed by the creation of new legal rights."

There is an appetite for this Bill in both Houses, and the measure is largely based on the Law Commission's 2007 report. The wise, noble and learned Lord Lester of Herne Hill introduced the Bill in the other place on 13 March. It is supported by Resolution, an association of 5,500 family lawyers. Before publishing it, there was a public consultation, with nearly 200 responses from: the Law Society of England and Wales; the family division of the High Court; the Family Law Bar Association; Families Need Fathers; Refuge, and many other solicitors, academics and individuals. Lord Lester has placed their responses in the Lords Library.

There is also an appetite for the Bill throughout the country. The 2008 British social attitudes survey stated that nearly nine out of 10 people think that a cohabiting partner should have some financial provision if the relationship has been long term and involves children.

Our society has a duty to protect children, whatever family circumstances they find themselves in, but the law as it stands leaves children in poverty when their cohabiting parents' relationship ends. Today, one in three babies are born outside marriage, compared with just one in 20 in 1963, and 44 per cent. of all children in England and Wales are born to unmarried partners. The proportion of unmarried women who cohabited with a partner trebled between 1979 and 2002, but without a claim on the family home, the mother, who is usually the children's main carer, becomes homeless. If we are serious about our pledge to end child poverty in this country in the next 10 years, the Bill will have a huge part to play.

However, we need to be clear. The Bill does not give cohabitants the same legal protections as marriage does. Marriage and civil partnership are special and offer specific protections and benefits. The Bill would create a legal framework that applies only on the breakdown of a cohabiting relationship. It may even remove the incentive to cohabit in order to avoid the financial costs of a divorce, which many people do now. The Bill would also allow couples to opt out of those protections to maintain their freedom of choice as individuals.

People meet, they fall in love and they move in together. They may decide not to get married for a variety of reasons. There may be the romantic ideal of true love, and who are we in this place to argue with that? There is the ideological objection to the institution of marriage. People may have left an unhappy marriage and be reluctant to embark on another marriage, whether happy or unhappy, or they may have witnessed their parents' unhappy marriage and decided, for whatever reason, that marriage is not for them. People may feel too young or be too career minded, or they may be just trying things out with the other person. But they all have one thing in common: rare is the couple who consult a lawyer before they take the step of moving in together.

There is, I have discovered, what sociologists call "optimism bias", whereby people believe that their love will last for ever—and in some cases, of course, it does. However, it is not surprising that people who are not lawyers should be ignorant of the law or that they may know the law, but allow inertia to creep in. However, the harsh reality is that men and women, whether gay or straight, who live together without a marriage or civil partnership can face devastating poverty and homelessness when their relationship ends.

The Bill would also provide protection for Muslim women who may be married in a religious ceremony abroad, live with their husband in this country for many years and, on the breakdown of the marriage, discover that they were never legally married in this country and that they have no rights whatever.

In July 2007, the Ministry of Justice concluded in its research paper on its "Living together" campaign that

"There is a need for a presumptive scheme giving cohabitants (and particularly cohabitants with children) automatic rights and obligations...This is particularly important for those in uneven relationships or where one partner is less committed than the other."

The Department also pressed for a more consistent message from the Government and policy makers on the non-existence of common-law marriage, saying:

"Currently, the contrast between the acknowledgement of cohabitation in welfare support systems and the lack of acknowledgement of it in family law is contributing to general confusion about the legal position of cohabitants."

The Department for Work and Pensions recognises cohabitation when establishing people's benefit claims. It takes into account the duration of the relationship, the performance of household duties and the degree of mutual commitment. Yet when one partner dies, the cohabitant has no right to a bereavement grant, as they are not treated as the other's next of kin. Currently, therefore, cohabitants have all the responsibilities but none of the rights that marriage bestows. Other Commonwealth countries, including Australia, New Zealand and Canada, give protections to cohabiting couples without detriment to marriage.

The law as it stands is unfair, uncertain and illogical. It penalises the vulnerable and, in particular, the children of cohabitants. The law does not recognise the choices that people make in the 21st century and it does not promote equality of outcomes for families. The Bill is long overdue, humane and compassionate. It promotes fairness social justice and equality before the law, and I commend it to the House.

Question put and agreed to.

Ordered,

That Mary Creagh, Hilary Armstrong, Liz Blackman, Natascha Engel, Ms Sally Keeble, Fiona Mactaggart, Lynda Waltho, Mr. Andy Slaughter, Dr. Evan Harris, John Bercow and Mr. Gordon Marsden present the Bill.

Mary Creagh accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 3 July and to be printed (Bill 81).

Opposition Day

[9TH ALLOTTED DAY]

Iraq War Inquiry

Mr. Speaker: I inform the House that in both debates, I have selected the amendments in the name of the Prime Minister.

12.45 pm

Mr. William Hague (Richmond, Yorks) (Con): I beg to move,

That this House welcomes the Prime Minister's announcement of 18 December 2008 that a fundamental change in the British forces' mission in Iraq will occur by 31 May 2009 at the latest and that at that point the rapid withdrawal of the British troops will take place, taking the total from just under 4,100 to under 400 by 31 July 2009; notes that following this announcement there remains no reasonable impediment to announcing an inquiry on the war in Iraq; and calls for such an inquiry to be conducted by an independent committee of privy counsellors, and to review the way in which the responsibilities of Government were discharged in relation to Iraq, and all matters relevant thereto, in the period leading up to military action in that country in March 2003 and its aftermath, and to make recommendations on lessons to be drawn for the future.

This is the third time in this Parliament that I have proposed this motion—or something very similar to it—and it is the fourth time that the House has debated the need for a full-scale and wide-ranging inquiry into the origins and conduct of the war in Iraq. It will come as no surprise to anyone that with the withdrawal of British troops from Iraq now imminent and the political and security situation in that country substantially improved in recent times, we are once again returning to this issue a year to the day since we last did so and six years this week since the start of the conflict.

Although it is therefore now a familiar topic for the House, the content of our debate today may be somewhat different from that in previous years, for we are now approaching a new situation in which Government arguments against an inquiry, which have grown steadily thinner as these debates have gone by, have now all but evaporated. In previous years, we made the argument that an inquiry should be commenced irrespective of the circumstances prevailing at the time, but now even those circumstances no longer provide the excuse for not commencing it.

This is not to say that we have been wasting our breath entirely in previous debates, for in each debate the common ground in the House has grown larger as the arguments against an inquiry have been diminished by the passage of time. It is now common ground, I think, that the events surrounding the Iraq war have been so important in shaping world affairs in recent years, made such an impact on the lives of millions, involved our armed forces in such effort and sacrifice, been so fraught with accusations of mistakes made and planning inadequately done and become so relevant to what is happening elsewhere in Afghanistan or to what might happen in other places in the future that it would be inconceivable to turn our minds for ever against inquiring into those events and trying to learn from them.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): The right hon. Gentleman refers to the passage of time. He will, of course, be aware that the passage of time since March 2003 is equivalent to or greater than that of world war two.

Mr. Hague: That is absolutely right, and it is a point that I have made in at least one of the previous debates, and the hon. Gentleman may have made it, too. Yes, it is now six years since the start of the conflict, which is longer than the duration of the entire second world war.

Faced with enormity of these issues and the extent of public expectation that an inquiry will be held, the Government have long since given up the argument that no inquiry may be necessary at all, although it was their starting point in 2006, when this series of debates began—a debate that was launched by the nationalist parties. At that time, the right hon. Member for Derby, South (Margaret Beckett), who was Foreign Secretary, was very careful not to commit the Government to an inquiry at all, saying that

"this is not the time for making these decisions."

She also said:

> "Unlike at the time of the Falklands war we now have a framework of Select Committees that carry out independent inquiries."—[*Official Report*, 31 October 2006; Vol. 451, c. 172.]

True enough, that careful stonewalling was breached within minutes of the end of that debate by the right hon. Member for Kilmarnock and Loudoun (Des Browne), who was Secretary of State for Defence. He went out to St. Stephen's entrance and said:

> "When the time is right, of course there will be such an inquiry".

Government sources then said that he had made a "slip of the tongue". However, it was not many months—16 May 2007—before the right hon. and learned Member for Camberwell and Peckham (Ms Harman), showing early on in the Labour party's deputy leadership election the skill that she is now employing in the leadership manoeuvring, said:

> "I think that when the troops do finally come home, which we all hope will be as soon as possible, there will need to be an inquiry and I think that we also need to look at the circumstances in which we went in but at the planning and preparation for the aftermath as well, and we will need to learn lessons from that."

By the time that we returned to the issue on the Floor of the House in June 2007, ministerial resistance to the idea that an inquiry might be necessary had totally collapsed.

Mr. Stewart Jackson (Peterborough) (Con): Does my right hon. Friend, like me, deprecate the evidence prayed in aid in the Government amendment that it would be improper to have an inquiry while our troops are in the field, given that historical precedent shows that, for example, in 1940 the Norway campaign was the subject of a full parliamentary debate in the House, and indeed precipitated the downfall of the then Prime Minister, Neville Chamberlain?

Mr. Hague: Yes, my hon. Friend makes one important analogy, which is very attractive to us as it involves the downfall of a Prime Minister. Come to think of it, that idea is probably quite attractive to the Foreign Secretary. There are closer analogies, which I will come to in a moment.

I was going back two years to June 2007 and the Government's arguments of that time. Their claim that four separate inquiries had already taken place, therefore obviating the need for any further inquiry, met ridicule in this Chamber and outside it, given that one of those was the Hutton inquiry into the death of Dr. David Kelly, another was the Butler report on the use of intelligence and the other two were deliberations by Select Committees, at least one of which had complained loudly that it had little access to information and no co-operation from the Government.

When Ministers were brought back to the Dispatch Box that June, they had themselves occupied a new defensive position, now insisting that there would of course be an inquiry at the appropriate time, but that to commence it there and then would, in the words of the former Foreign Secretary, the right hon. Member for Derby, South, send a message of "disunity" and possibly

"convey to others"

the much wider

"impression that this country's commitment to Iraq is weakening".

That was a bogus argument, but it was a new bogus argument and therefore quite interesting on those grounds. The idea that a militiaman in a Baghdad suburb would be emboldened by the news that the British Government were trying to learn from mistakes—when he could already have read about adverse opinion polls, huge demonstrations and serious divisions among western nations at the UN Security Council as plentiful examples of disunity—did not constitute a serious argument.

Mr. John Redwood (Wokingham) (Con): Did my right hon. Friend note that, at the beginning of the debate, there were only eight Labour MPs present not on the Front Bench, including the Parliamentary Private Secretary? Does that show that Labour MPs are ashamed of their Government's position? Does the absence of the Leader of the House show that she is ashamed of the position and wishes that the Government would change it?

Mr. Hague: I do not think that those on the Government Benches now take enormous pride in the Government's position. Indeed, the variants on this motion that I have tabled in recent years were defeated only by quite narrow majorities, given the balance of parties in the House. I am sure that a huge number of Labour Members want an inquiry to commence, and commence now, as I shall come to argue.

To be fair to the then Foreign Secretary, in 2007, she made the further and more substantial argument that

"while our troops remained actively engaged and facing real danger in Iraq, it would be wrong to launch such an inquiry."—[*Official Report*, 11 June 2007; Vol. 461 c. 539-45.]

Many of us in the House have never agreed with that line of argument. Those of us who talk regularly to members of our armed forces, as I do at Catterick garrison in my constituency, have formed a clear view that most of them would welcome an inquiry at any time, since they, above all, are the people who have had to wrestle with the consequences of mistakes that have been made and are extremely interested in ensuring that such mistakes are not repeated. Their morale would be raised, rather than lowered, by knowing that an appropriate inquiry was going on.

There is the further consideration that in an extended conflict—as the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) said, the Iraq war has gone on for longer than either of the world wars of the 20th century—waiting for the end of all hostilities before learning from any mistakes is a grievous error. Our predecessors in the House launched an inquiry into the Dardanelles campaign while the first world war was raging, and indeed into events in Mesopotamia in 1916 while military operations continued there. Nevertheless, that was an argument until, in the course of last year, our troops were no longer actively engaged on a daily or large-scale basis.

At that point, the Government's defence against starting an inquiry changed again and was redefined on 10 December last year by the current Foreign Secretary, who said that

"we do support an inquiry into the origins of the Iraq war, when our troops are safely home."

So, the mantra that an inquiry could not begin while our troops remained actively engaged has turned out not to represent the real reason the Government would not set up an inquiry in recent years; it was simply one of a number of excuses, and its ceasing to be relevant has led them to abandon it in favour of another, much weaker excuse.

Even now, it seems that the Government have to be dragged slowly to the course of action that they know is right and inevitable. The Foreign Secretary said, also on 10 December:

"We are not going to hide behind the idea that the last troop must have come home".—[*Official Report*, 10 December 2008; Vol. 485, c. 565-6.]

but given their record of steady retreats from one excuse to another, it would not now be surprising if they tried to hide behind that.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Is not my right hon. Friend's point reinforced by the wording that the Government have chosen for their amendment, which talks not about the return of our troops, but says that it would be inappropriate to have an inquiry

"whilst important operations are underway in Iraq to support the people and government of Iraq."?

As it is the Government's intention to help the people in government in Iraq over the next few years, does that not imply that the Government have, yet again, changed their criteria and are grasping anything they can to prevent having any inquiry at all?

Mr. Hague: As usual, my right hon. and learned Friend is absolutely on the nail. I have pointed out how the Government have retreated from one argument to another. It may be the next stage of the retreat to argue that an inquiry cannot begin even when the troops are safely home, but I think that the Government know that they are in the last stages of their retreat—perhaps it is the last stage—on this matter.

The Government have started to indicate that some kind of inquiry may be established later this year, but rather fittingly for a Prime Minister who said that he would end the culture of spin and treat Parliament with greater seriousness than his predecessor, the suggestion that they will hold an inquiry has been made not to Parliament, but to the *News of the World* on Sunday.

It was reported on Sunday:

"Gordon Brown is set to order an inquiry into the war in Iraq, the News of the World can reveal. Senior sources"—

this is the end of the culture of spin—

"at the Ministry of Defence suspect the review will be announced"—

[Interruption.] I used to write an excellent column in the *News of the World*, but the Prime Minister of the nation is meant to announce things to Parliament, not in a column in the *News of the World*.

The *News of the World* continued:

"Senior sources at the Ministry of Defence suspect the review will be announced in Mr. Brown's speech to the Labour Party conference this autumn."

This "review"—notice it will be a review rather than an inquiry—will, said the paper,

"have access to intelligence used to justify the invasion and records of the Cabinet's discussions before the war. It is also expected to review the Army's performance in the invasion and its aftermath."

This is a small classic in trying to use spin to wrong-foot the intentions of Members of Parliament, suggesting that the matter is all in hand while already seeking to water down what an inquiry would look at, and indeed whether it would be an inquiry at all.

If Ministers think that they will get away with a "review", which looks at the decisions made before the war and the performance of the Army, they have another think coming. When somebody as senior as Sir Hilary Synnott, the diplomat who was put in charge of governing southern Iraq, says in his book—*[Interruption.]* I did refer to that book last year. Sir Hilary Synnott was so pleased that I did so, I thought that I would please him by referring to it again, because this part of the argument remains the same:

"Hardly any Whitehall departments got involved with Iraq. There was none of the mobilising of the government machine—with cabinet committees, ministers and individuals nominated to deal with specific tasks, and taskforces—such as happened during the second world war…Instead, there was an ad hoc cabinet committee, where both chairmanship and participants changed."

When someone like that presents such an argument, it is clearly vital for a real inquiry to be able to look at the functioning of Government across the board, and to do so in the period after the invasion of Iraq as well as before it.

Several hon. Members *rose*—

Mr. Hague: I shall sweep across the Chamber, starting with my hon. Friend the Member for North Essex (Mr. Jenkin).

Mr. Bernard Jenkin (North Essex) (Con): I am most grateful to my right hon. Friend. Is not the point that he is making particularly relevant to the conduct of Government policy in Afghanistan? It is being conducted by a Cabinet Committee that meets once a fortnight, rather than the whole Government being engaged in the effort.

Mr. Hague: What I am saying may be relevant to that. We do not know what an inquiry will say. However, I think that there are grounds for concern about the way in which Government have made important decisions about national security in recent years. Certainly, it appears from recent deliberations about Afghanistan that several different reviews are in progress in Whitehall

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at one time—some within different Departments, some between officials of Departments, and some between Ministers, including the Foreign Secretary—rather than the issue being looked at as a coherent whole. That may well be one of the lessons to be learned for the future.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Will my right hon. Friend join me in congratulating 7th Armoured Brigade, who did a fantastic job in moving into Basra during the invasion and creating a relative peace? What happened then was that they looked over their shoulders expecting some form of stabilisation and reconstruction plan, and there was none to be seen. Is not the reason we require an inquiry the fact that other Departments, especially the Department for International Development, were not there in strength to support the good work that our military had done?

Mr. Hague: My hon. Friend is absolutely right. That is a reason for an inquiry. It appears from what has been said and written about the aftermath of the invasion of Iraq that the Department for International Development was indeed not ready to follow up what other Government agencies, and the Army, had achieved, and that it had been decided at the highest ministerial level that it would not co-operate in the planning for the aftermath.

John Barrett (Edinburgh, West) (LD): The right hon. Gentleman said that the *News of the World* had mentioned the possibility of an inquiry. Does he recollect some of the news headlines at the time, which set the mood of the nation in the run-up to the war? *The Sun* carried the headline "Brits 45 mins from doom", while another newspaper carried the headline "Ready to Attack: 45 Minutes from a Chemical War". What is in a newspaper can set the mood of the nation. The mood has changed, however, and I think that therefore people need the inquiry.

Mr. Hague: Of course the mood has changed. The circumstances have moved on in six years. But I think that people who opposed the war in Iraq, of whom I imagine the hon. Gentleman was one, and people who supported it—all those people—want to make sure that we have learnt from whatever mistakes are made. That is why there is such common ground on this issue.

Miss Anne McIntosh (Vale of York) (Con): I am enjoying my right hon. Friend's speech very much. Does he agree that the contribution made by north Yorkshire has been exceptional? Will he argue that we should broaden what the motion says about the aftermath to include those who suffer from post-traumatic stress disorder and the way in which they are being dealt with in the north of England, where there is no treatment available?

Mr. Hague: Of course that should be looked at as well. Because we both represent constituents in north Yorkshire, my hon. Friend and I are extremely conscious of the role of our armed forces and the circumstances in which they work. Perhaps that should be examined even more urgently than, and separately from, the conduct of the war in Iraq.

Mr. MacNeil *rose—*

Mr. Hague: I shall give way one more time, and then proceed with my speech.

Mr. MacNeil: I am grateful to the right hon. Gentleman for giving way again.

Further to the point made by the hon. Member for Edinburgh, West (John Barrett), I imagine that if the headlines had said the exact opposite of what the Government wanted them to say, the Government would have got up and countered them.

When the right hon. Gentleman quoted from a book to which he had also referred in a debate last year, the mirth on the Government Benches betrayed the Government's attitude. They hope that the passage of time will lessen the need for and the consequences of an inquiry. The reality is, however, that the inquiry is needed not just for the past and not just for the present, but as much for the future, to prevent such errors from happening again and, importantly, to prevent other countries from acting in the same way.

Mr. Speaker: Order. An intervention should not be a speech.

Mr. Hague: I think that we got the point, Mr. Speaker. Yes, of course that supports the case for an inquiry—and yes, there was a bit of mirth on the Government Benches, but many of the arguments for an inquiry do remain the same. One of the points I am making is that it is the Government's arguments that have changed. They have become steadily thinner over time, and now they are very thin indeed.

An inquiry should be at Privy Council level, and should be able to study how relations with our key ally were managed; the use of intelligence; the functioning of the machinery of Government; why poor decisions were made in some cases, and dissenting opinions were overlooked; why expectations of what would happen in Iraq turned out to be wrong; why the insurgency was not anticipated; and why—in the words of Jonathan Powell, the Prime Minister's chief of staff at the time—

"There was planning, but it was planning for completely the wrong thing."

It should also study our success or otherwise at nation-building. It should examine the way in which the Department for International Development, the Foreign Office and the armed forces work alongside each other. That point has already been made by many of my hon. Friends.

It begins to look as if Ministers have it in mind to set up an inquiry that would perhaps be more limited than most Members of the House and the vast majority of people in the country would wish. Moreover—importantly—it looks as if they want to set it up at such a time that its proceedings could reasonably be concluded only after the latest date for the next general election, after they can be held accountable for the results. There is no other explanation for their behaviour, since there is no reason on earth why an inquiry of the necessary wide-ranging kind cannot be established now.

I have put before the House in previous years arguments that grow stronger with the passage of time. I have argued that memories will be weaker, and relevant documents more likely to have been dispersed, with each year that goes by, particularly as some of the events and decisions to be inquired into took place as long ago as 2002. The Foreign Secretary has tried to deride that argument in the past, but the idea that the

recollection of Ministers and officials remains perfect, however many years go by, is not credible. It suggests that they have powers of retention and memory that would have to be superhuman.

Even when an inquiry is announced, it will doubtless take some weeks or months to assemble its members, to recruit its staff, to prepare its programme of work, to identify where it must seek relevant material, to create a timetable for evidence-taking, and so on. If Ministers really wanted an inquiry once our troops were no longer actively engaged, they would have announced one already, but even if we accept that they want to have one when the troops are safely home, the fact remains that there would be nothing to stop them nominating the inquiry, giving it its powers, and starting it on its preparatory work now, so that the taking of its evidence could begin this summer.

Last time we debated this subject, the Foreign Secretary said:

"The Franks inquiry was set up after the end of the Falklands conflict...only after all the troops had come home from the Falklands."—[*Official Report*, 25 March 2008; Vol. 474, c. 56.]

It may have escaped the Foreign Secretary's attention, but at no time have all the troops come home from the Falklands. There is still a detachment of troops there now. When Baroness Thatcher first announced the inquiry to the House on 8 July 1982, there were far more British troops deployed in the Falkands than there are in Iraq today, along with many warships.

The Prime Minister has already announced—on 18 December—that a "fundamental change of mission" will take place by 31 May at the latest, and that by 31 July only 400 British troops will be left in Iraq, the majority of them dedicated to naval training. In any case, our legal authority to be in Iraq expires at the end of July. The timetable for withdrawal has therefore already been set. The UN mandate by which we were in Iraq in recent years has, of course, already expired. Our troops are no longer engaged in combat activity. The statement by the Iraqi defence spokesman on 31 December made it clear that the agreement superseding the UN mandate stipulated

"that they will not be engaged in combat activity, and that their activities will be exclusively confined to the purposes of training and support."

The head of the Army, General Sir Richard Dannatt, said at Christmas:

"We have now concluded the operation, or are about to conclude the operation, in Iraq, on the basis that the job is done."

When we take all those facts together, we can see that no substantial argument remains against the immediate announcement and rapid establishment of the inquiry that the nation demands. If it is necessary to have an inquiry, as Ministers have accepted, there is no longer any reason linked to the safety of our troops to delay one, and every reason of scrutiny, accountability and learning for the future to begin one as soon as we can. The only remaining explanation for the non-appearance of an inquiry is either ministerial self-interest in delaying its onset and therefore its outcome, or a reluctance to get around to it at all.

Adam Price (Carmarthen, East and Dinefwr) (PC) *rose*—

Mr. Hague: I will give way for the last time.

Adam Price: The right hon. Gentleman is absolutely right about the need for an inquiry now. Does he agree that it is important that the accountability of that inquiry runs to Parliament and not to the Executive, given that Parliament was, in my view, given misleading information in the past? I remember the former Prime Minister saying, "If only you could see some of the things that come across my desk, you would vote for the war." If only we had seen them, because then more hon. Members would have voted against.

Mr. Hague: I think that it is important for it to be a Privy Council inquiry because the results would be laid before Parliament. The hon. Gentleman and I have had a small difference on this matter in the past, in that he originally proposed a reinforced and special Committee of this House. That would suffer the disadvantages that its membership would comprise only Members of this House, and that it would probably have to have a governing party majority, so it would not be the independent inquiry that I am advocating, able to draw on the expertise of people from outside Parliament. I do not think this needs to be an inquiry conducted in Parliament, but its results need to be laid before Parliament.

Mr. Edward Leigh (Gainsborough) (Con): Will my right hon. Friend give way on that point?

Mr. John Baron (Billericay) (Con) *rose*—

Mr. Hague: I had not intended to give way again as I am trying to get on with my speech, but I shall give way to my hon. Friend the Member for Gainsborough (Mr. Leigh).

Mr. Leigh: Does my right hon. Friend share my sadness at the fact that we need a full Falklands-type inquiry because our Select Committees are so weak? Under the Osmotherly rules, we cannot insist on particular officials appearing before a Committee and we cannot look at advice given to Ministers. Our Select Committees are therefore not strong enough, unlike congressional committees.

Mr. Hague: I agree, and my hon. Friend has expressed that point very well.

Mr. Baron: Does my right hon. Friend also agree that we need an inquiry because since even the Hutton inquiry a wealth of material and information has come out by way of freedom of information requests and other means, which clearly show that the intelligence reports were misrepresented and mispresented by the Government at the time? For example, we have only recently discovered that there was a body called the coalition information centre, a propaganda unit within the Foreign Office; it has since disbanded, but that body played a key role in the drafting of the dossier.

Mr. Hague: My hon. Friend makes a powerful point, and he has been instrumental in making sure that some of these documents come to public attention. It is when we take together the mixture of freedom of information items that have come out into the public domain—as well as freedom of information decisions that have been overturned by the Justice Secretary in respect of Cabinet minutes—and all the memoirs and other statements

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that have been written by so many people, that we see that it is important to look at these matters in the round, and for an inquiry to be able to consider them together.

I shall now sum up.

Mr. Gordon Prentice (Pendle) (Lab): Will the right hon. Gentleman give way?

Mr. Hague: I must finish my argument, I think. *[Interruption.]* Well, due to public demand, I shall give way to the hon. Gentleman..

Mr. Prentice: The right hon. Gentleman mentioned the Dardenelles. Given the comments made by very senior members of the military, does he believe there is a case for an admiral or a general to serve on the inquiry?

Mr. Hague: Yes, I think there probably is a good case for that. Provided that they are respected for independent judgment, their being able to bring military expertise would be a very valuable asset. That is all for consideration, however, and what we should be deciding today is that such an inquiry should be established.

I repeat today that if no inquiry is established by the time of the next general election, one of the first acts of a new Government will be to establish one. Additionally, I wish to make it clear to the Foreign Secretary that if an inquiry is established that is merely a review, or that has inadequate scope and powers to carry out the necessary tasks, and it is still continuing its work beyond the next general election, an incoming Conservative Government will reserve the right to widen its scope and increase its powers as may be necessary. Ministers may delay in an effort to reduce the force and relevance of what they know must come, but in the end we will learn the necessary lessons, and we will learn from what went wrong in the functioning of the machinery of government itself.

There is an utter determination in most quarters of this House that we will get to the heart of these matters and that the processes and functioning of government—and maybe of Parliament—will be improved as a result. It can only be to the discredit of current Ministers that they have no wish to see such learning and improvement commence, even though they have now run out of reasons for that not to commence. The House of Commons would be doing them a favour if it pushed them today into the right, necessary and complete course of action, and it would be doing what is right for this country as well.

1.15 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I beg to move an amendment, to leave out from "House" to the end of the Question and add:

"notes the Resolutions of this House of 31 October 2006, 11 June 2007 and 25 March 2008 on an Iraq inquiry; recognises the heroic efforts of the British armed forces in Iraq who have a continuing role which this House should be careful not to undermine; further recognises that a time will come when an inquiry is appropriate, but declines to make a proposal for a further inquiry at this time, whilst important operations are underway in Iraq to support the people and government of Iraq."

I have recently had the privilege of meeting some of our troops and their commanders in Basra. Their dedication to duty, their commitment and comradeship and, above all, their immense bravery should be an inspiration to us all, and is a credit to the country. Whatever the divisions of this debate, nothing should—or will, I am sure—divide us from saluting them together for the way in which they have carried out their tasks in Iraq.

This Government amendment makes the same point as the Government amendment that the House supported at this time last year. The reason is simple: the situation in Iraq has changed, in the main for the better, since the debate last year—I will set that out—but the number of British troops, and their role and position, has not changed. Until it does, the case for caution against declaring "mission accomplished" and turning our attention to an inquiry remains strong.

Mr. Leigh: Will the right hon. Gentleman give way?

David Miliband: No. I will do so in a few moments.

In important respects the work of our troops carries dangers, especially—I say this although it is paradoxical—as the date for the completion of their work comes closer. One civilian was killed at the Basra airbase in a rocket attack earlier this month, so the sole focus of Government activity at this time—across the Ministry of Defence, the Foreign Office and the Department for International Development—is to secure the most smooth and effective conclusion to the bulk of British military engagement in Iraq, and the most smooth and effective increase in British economic, political, educational and cultural engagement in Iraq.

Several hon. Members *rose—*

David Miliband: I will be very happy to give way in a moment, after I have set out my argument.

The Government amendment says clearly and unambiguously that there should be an inquiry. The reason is simple: there are important lessons that could be learned. Indeed, as the right hon. Member for Richmond, Yorks (Mr. Hague) pointed out last year and has repeated in his speech, Iraq has involved British troops for a longer period than world war two. Every country is unique, and the Iraq experience of post-conflict reconstruction is important. We all know that building the peace in Iraq has been much more difficult than winning the war. The debates about de-Ba'athification and the disbandment of the Iraqi army have been well aired and it is right that they are looked over again.

Michael Fabricant (Lichfield) (Con): Will the right hon. Gentleman give way?

David Miliband: No. I said I will give way in a few moments, after I have set out my argument.

The time to focus on an official inquiry is when the troops come home to safety, not when they are still exposed to danger in Iraq. Precedent supports this, and so does common sense. For the avoidance of doubt, I was asked on 10 December if that meant every troop coming home, and I gave a very clear answer: we are talking about combat troops, not every troop, and I will set out the timetable again in a moment.

I am now very happy to take interventions from all those Members who sought to speak, but I shall give way first to the hon. Member for Gainsborough (Mr. Leigh).

Mr. Leigh: I am grateful to the Foreign Secretary for giving way. Will he give a commitment today that we will set up this inquiry as soon as practicable after 31 July? That is a given, is it?

David Miliband: Yes.

Mr. Ellwood: The Foreign Secretary seems to be living in a parallel world in terms of what is actually happening with our troops at Basra airport. They are not going out on patrols, and they are not involved in operations in Basra. They are bunkered up at the airport itself. They are doing some work with the Iraqi army, but in fact they are busy handing over not to the Iraqis, but to the Americans. Will he spell out exactly what he is trying to justify by saying in his amendment that we are involved in operations when we are not?

David Miliband: I am afraid that that is just not correct, and I am happy to go through why it is not correct. One obvious reason is that they are providing not simply training, but mentoring for Iraqi troops which by definition involves more than going outside—

Mr. Ellwood: In the airport.

David Miliband: No, it involves more than that. I will give some further detail, and I am sure that my right hon. Friend the Minister for the Armed Forces will do so, too.

Mr. James Gray (North Wiltshire) (Con): The Foreign Secretary said a moment ago that the precedent is for the inquiry to be established after all the troops—or the vast bulk of them—have been withdrawn, rather than, as my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) suggested, the initial steps being taken before they are withdrawn. Would the Foreign Secretary care to tell us of one occasion on which that precedent occurred?

David Miliband: The Falklands is the obvious example because the—

Mr. Ellwood: We killed that one off.

David Miliband: No, the hon. Gentleman has not killed that one off, with respect. British troops will remain in Iraq after 31 July if all goes according to plan, but they will not be combat troops. In the case of the Falklands, the enemy had surrendered, so by definition the troops were no longer in danger in the Falklands when the inquiry was set up in July 1982.

Mr. Mike Hancock (Portsmouth, South) (LD): I am sure that the whole House shares the Foreign Secretary's admiration for those who have served and are serving in Iraq. He very much admires their courage, so why are the Government not showing the same courage and saying "We have nothing to hide, we are not hiding behind anything and we agree to this inquiry"? Why are they not being as courageous as our soldiers have been?

David Miliband: I do not think that any Foreign Secretary should come to this place claiming that he is being as brave as the people who are serving in our armed forces around the world—I certainly do not make that claim, and I am sorry that the hon. Gentleman reduces the argument to that point. The Government have taken a very consistent position since the debate last year and we will take it again in the debate this year. The right time for an inquiry is when our combat troops have come home, and I am happy to detail why the situation in Iraq requires that.

Sir Malcolm Rifkind: The Foreign Secretary said in answer to my hon. Friend the Member for Gainsborough (Mr. Leigh) that an inquiry would be announced after 31 July. He will, of course, be conscious of the fact that that will be about a week after this House rises for the summer recess. Will he therefore give an assurance today that a statement will be made to the House before it rises for the summer recess confirming that the inquiry is to go ahead? If he is not prepared to give that assurance, will he explain why not, given that we know that 31 July is the decisive date?

David Miliband: The former Foreign Secretary should know better; the idea that we decided on a troop withdrawal plan and chose 31 July as the date for its conclusion because Parliament will not be sitting at that time is, frankly, risible. *[Interruption.]* We will do this after British combat troops have been withdrawn, and that is the right thing to do. *[Interruption.]* That has been the position that we have set out over the past year, and I believe that it is the right position to hold. It has nothing to do with the Labour party conference; it is a simple position that the Government have articulated again and again and again.

Sir Malcolm Rifkind: The Foreign Secretary will know that I made no reference to the Labour party conference. I simply said that he had confirmed that the combat troops would be back by 31 July, so there would no longer be an obstacle to announcing a statement. He must know that an inquiry of this importance ought to be announced to the House of Commons. There cannot possibly be any objection to announcing on, shall we say, 20 July—10 days or so before 31 July, when the House is still sitting—that the inquiry is to be established and what the terms of reference will be. He must appreciate that if he declines to give that assurance, it would appear either that he is going to make that statement when the House is not even sitting—that would be a disgrace—or that he is looking for an excuse to leave it until the autumn, thereby delaying the time by which the inquiry would ultimately report. He must realise the suspicion and deal with it now if he is to command the respect of the House.

David Miliband: I am sorry that the right hon. and learned Gentleman puts it in that way. We have been completely clear, in last year's debate and in this year's debate, about the Government's position on this point. Our position is that once combat troops come home is the right time to establish an inquiry. We will establish that inquiry with the full respect for Parliament and all of its Members, for precedent and for the need for the inquiry to look into both the conduct of the war and the conduct of the peace-building afterwards—that is precisely the sort of comprehensive look that the right hon. Member for Richmond, Yorks, who speaks for the Opposition—

Mr. David Heath (Somerton and Frome) (LD) *rose*—

David Miliband: After I make some progress I shall be happy to bring in further hon. Members.

[David Miliband]

The UK has a strategic national interest in a strong, stable, non-hostile Iraq, confident in its territorial integrity and acting in accordance with international law. As the first majority Shi'a democracy in the Arab world, it can help to bridge the Sunni-Shi'a divide in the middle east. As one of the traditional places of Shi'a authority in the world, with a track record of a humane tradition, a revived Najaf can offer an alternative to the radical Shi'ism expounded by some in Iran. It is important, therefore, to recognise the progress that has been made in Iraq since our debate last year. The change from the savage conflict of three years ago is remarkable, and the progress is to be welcomed. It brings withdrawal closer and, for the purposes of this debate, it brings an inquiry closer, because, at every stage the key for us has not been dates; it has been what our troops are doing in Iraq.

Mr. Adam Holloway (Gravesham) (Con) *rose—*

David Miliband: I shall make some progress and try to bring in the hon. Gentleman a bit later.

Thanks to the brave work and dedication of our troops and their coalition partners, as well as the improved capacity and commitment of the Iraqi security forces, the number of security incidents across the country is down to its lowest level since 2003. The provincial elections held on 31 January passed without major incident and included the Sunni parties and Sunni voters. Although key pieces of legislation are still outstanding, in the past year the Iraqi Parliament has agreed new laws on investment, de-Ba'athification, detainees and the powers of provincial government.

Although that progress is significant, anyone who has spent any time in Iraq will say that in some parts of the country the security situation is still fragile and reversible. The threat from extremist groups—that seems to be dismissed by the Conservative party—as well as from militias and terrorists, remains. Roadside bombs and suicide attacks are still a danger to the lives of ordinary Iraqis. Attacks this month in Mosul, at a Baghdad police academy and at a market in Babil remind us of the enduring dangers posed by terrorism in Iraq.

Although progress has been made in politics, compromise is painfully slow and, as in the rest of the world, the global economic downturn is having an impact in Iraq. So, after the loss of many thousands of lives, including 179 British defence personnel, and the spending of billions of dollars, Iraq needs careful and deliberate international support as it moves to be fully in command of its own affairs.

Mr. Heath: Will the Foreign Secretary give way?

David Miliband: No, I just want to make a bit of progress.

That is why some 4,100 British troops are deployed in southern Iraq—that is more or less the same number as were there this time last year. As agreed with the Government of Iraq, they still have a number of tasks to complete. Their work to mentor and train the 14th division of the Iraqi army is ongoing. The Royal Navy continues to patrol the Gulf area and to contribute to the defence of Iraqi territorial waters and oil platforms, and the Royal Air Force provides vital support, both to UK troops and as part of the coalition air effort. Each of those tasks is vital in order to ensure that Iraq continues the progress of recent years.

We are now, however, approaching a key moment in the timetable for the draw-down of British troops. In July last year, my right hon. Friend the Prime Minister set out how UK troops would move carefully and deliberately, guided by the situation on the ground, from a lead role to an overwatch role. Next week, on 31 March, the first step will be taken, with the absorption of Multi-National Division (South-East) within Multi-National Division (South). This is not the replacement of British commanders by Americans, but a new coalition force structure reflecting the changes going on in Iraq and with a larger geographical responsibility. As my right hon. Friend the Prime Minister told the House,

"the fundamental change of mission ... will take place by 31 May 2009 at the latest. At that point, we will begin a rapid withdrawal of our troops, taking the total from just under 4,100 to under 400 by 31 July."—[*Official Report*, 18 December 2008; Vol. 485, c. 1234.]

The Government of Iraq have indicated that they want the UK to continue to provide military training and education. We are offering to provide support to officer training through the NATO training mission in Iraq, and to supplement that with attendance at staff and other training. We are also discussing with the Iraqi authorities how we can best meet their ongoing requirements for maritime support and naval training. Our plan, which has been agreed by the Government of Iraq, is to withdraw combat troops by the end of July. As we draw down our military engagement, we will step up our effort to support and rebuild the Iraqi economy and to help Iraqis ensure that their critical infrastructure works. Of course, our diplomatic relationship will remain essential, and we will maintain both a substantive embassy in Baghdad, and missions in Basra and Irbil.

Several hon. Members *rose—*

David Miliband: I shall give way after I have finished this paragraph. The planning for the safe withdrawal of most of our troops, and the development of a plan for the role and position of the remainder, is being undertaken with great care in the Ministry of Defence. The Foreign Office is orchestrating, week by week, the realignment of Britain's relationship with Iraq as military forces are reduced. The Department for International Development is continuing to work to help the Government of Iraq to deliver services to their people and to be in a position to take advantage of the strong interest of international investors. I said that I would give way to the hon. Member for Gravesham (Mr. Holloway), so I shall now do so.

Mr. Holloway: Does the Foreign Secretary accept that there are lessons to be learned from Iraq and that there are mistakes that we are repeating? Is it not a shame that even the MOD has binned its internal critique of the conduct of our operations in Iraq?

David Miliband: I am always wary of the attempt to put Iraq and Afghanistan in the same paragraph, as I believe they are fundamentally different theatres. However, there are important lessons from the Iraq experience. As I will say in a moment, the MOD has carried out

significant internal reviews, as well as having the benefit of external reviews, as has the Foreign Office, and those are fed in week by week. The hon. Gentleman may well have important points about the way in which strategy and tactics are being put into practice. We should certainly be learning the lessons, but that does not require us to wait for the full-scale official inquiry that we are debating today.

Mike Gapes (Ilford, South) (Lab/Co-op): Yesterday, I met a delegation of Iraqi Members of Parliament, representing all the diverse communities in that country, and they wanted a message sent to the British people to say, "Thank you for what you've done to get rid of Saddam Hussein and please keep supporting us in our transition to democracy."

Will the Foreign Secretary ensure that the inquiry, when it happens, is not narrowly focused, but looks at the totality of the UK relationship with Iraq before, during and since the conflict, and includes the complicity of the Conservative Government of Baroness Thatcher with Saddam's regime during the Iran-Iraq war?

David Miliband: I hear what my hon. Friend says about the need for the inquiry to look beyond the immediate context of the war, and especially at the conduct of the peace-building.

Bob Spink (Castle Point) (Ind): I sincerely thank the Foreign Secretary for recognising in his speech and in the Government amendment the professionalism and bravery of our troops, which the Opposition failed to do in their motion. Will he confirm that any inquiry will not reveal the identity of any individual member of the troops so that nobody is put at risk?

David Miliband: One advantage of a Franks-style inquiry, as recommended by the right hon. Member for Richmond, Yorks, is that it would operate in private and could preserve the confidentiality that is important for all our troops.

Jeremy Corbyn (Islington, North) (Lab): The Foreign Secretary has conceded that an inquiry will take place. Will he assure the House that all the papers prepared for the Cabinet before the invasion of Iraq in March 2003 will be revealed to that inquiry so they may be properly studied, unlike the decision that was taken to challenge the Information Commissioner's decision that they should be released to the public?

David Miliband: There will certainly be full co-operation with the inquiry, including in respect of the important papers that my hon. Friend mentions.

Mr. Edward Davey (Kingston and Surbiton) (LD): The Foreign Secretary mentioned the operations of the British forces in Iraq. Can he say how many personnel, based in Iraq, London or elsewhere, would be involved in any inquiry? What would be the problem with replacing those people so that they were free to engage in an inquiry now?

David Miliband: I have not mapped that out, but it would be a substantial number. In the Foreign Office, it would involve people who are working in our Iraq unit at present who are resolutely focused on this delicate passage of time. As British troops withdraw, we have to make it clear to the people of Basra that we are not abandoning Iraq, but are continuing to remain engaged with it. I am happy to confirm that substantial effort will be dedicated to an inquiry. It would be important for the Government to co-operate fully with it across Departments.

I do not accept that development and planning have been compromised by the absence of an inquiry. There have already been four inquiries into aspects of the war in Iraq, although they were not official inquiries with access to all the papers. In 2003, both the Foreign Affairs Committee and the Intelligence and Security Committee, and then a year later the Butler inquiry, examined the decision to invade Iraq, focusing on the accuracy and adequacy of the intelligence, and of course the Hutton inquiry looked into the circumstances surrounding the death of Dr. David Kelly.

Our military, diplomatic and development strategies have consistently been adjusted and updated in the light of events and those inquiries, and in the light of reviews that we have undertaken inside the Government. Some of them have been made public, but others, for obvious reasons, have not. For instance, the Ministry of Defence carries out regular reviews of operations from the strategic to the tactical level. Its reviews have made recommendations on matters ranging from the military kit to counter-insurgency strategy or the relationship of security to economic and political change. DFID's approach in Basra has evolved significantly over time, from the initial priority of focusing on the dilapidated infrastructure—work that has benefited more than 1 million Iraqis—to a focus on developing Iraqi economic capacity.

Of course our experiences in both Afghanistan and Iraq have had a significant impact on the workings of the Foreign Office, with greater emphasis on cross-departmental planning and working, including through the tri-departmental stabilisation unit. More resource is being devoted to post-conflict planning and delivery as well as the development of a much smarter approach to risk management. The accumulation of internal lessons learned over the past six years, as well as internal reviews conducted, is all material that an inquiry could draw on.

I was interested to hear the right hon. Member for Richmond, Yorks say last year that he favoured an inquiry along the lines of the Franks inquiry, which he referred to as "the model inquiry". The Franks inquiry was set up after the end of the Falklands conflict. The fact that it was conducted in private meant that it had access to all the relevant papers. In that respect, it was significantly different from the US Baker-Hamilton report. Franks was not a judicial inquiry, so it did not require its witnesses to have lawyers. There were no leaks or interim findings to distract from the final conclusions and recommendations.

Of course, it is important to remember that Franks looked only at the run-up to the Falklands war in the wake of Lord Carrington's resignation. Most discussion of the case for an inquiry into Iraq has not favoured limiting an inquiry to the lead up to the war, but is instead more interested in the conduct of the war and its aftermath. The Government have never demurred from that view.

Sir Peter Soulsby (Leicester, South) (Lab): Can the Foreign Secretary give an assurance to the House that when an inquiry is eventually held, it will not be confined

[Sir Peter Soulsby]

just to the conduct of the war and events afterwards, but will focus—as part of its terms of reference—on that very important period of the run-up to the war and what was told to this House and the nation, which was clearly less than the whole truth about the nature of the so-called threat and our potential response to it?

David Miliband: I have been very careful not to start placing limits on what an inquiry could look at. The purpose of the inquiry will be to learn lessons. I do not see any point in repeating what other inquiries have done, but it should be a comprehensive look at the planning and conduct of the war, as well as the peace-building afterwards.

Several hon. Members *rose—*

David Miliband: In deference to the seniority of the hon. Member for Louth and Horncastle (Sir Peter Tapsell) I shall give way, but it will have to be the last intervention.

Sir Peter Tapsell (Louth and Horncastle) (Con): Does the Foreign Secretary understand that the main interest of the country will be in the run-up to the war, because it is widely believed that in the summer of 2002 the then Prime Minister, Mr. Blair, and President Bush entered into a conspiracy to invade Iraq and spent the succeeding months until March 2003 manipulating public opinion, falsifying the intelligence information and deceiving the leaders of the Conservative party? That is one of the most shameful episodes in British history, if it is proved to be true—as a proper inquiry would prove.

David Miliband: I do not accept that caricature of the period before 2003. Nor do I accept that the vast bulk of interest is in the run-up to the war. For those with conspiracy theories, that may be their interest, but those of us concerned with British operations in the future are interested in the lessons of the war itself and the peace-building effort afterwards. It is important to emphasise the post-war aspects as well as the wartime conduct.

Mr. Keith Simpson (Mid-Norfolk) (Con): Can the Foreign Secretary explain why our major ally, the US, continues to examine and review the lead up to the war and the lessons to be learned, and to do so in public? It is not a bogus argument; it is a fact. Many Americans are amazed that we do not do the same.

David Miliband: That is a bogus argument. As I have just said, the Baker-Hamilton inquiry did not have access to the sort of secret papers that everyone in this House believes that an official inquiry should have access to. Although it is correct that America is a country that conducts numerous internal reviews—as we do, too—America has not had the sort of official inquiry that the hon. Gentleman's party is asking for.

Iraq was a source of great division in this House—within parties and between them—as well as in the country. Those divisions will not be eradicated; nor, above all, will the loss suffered by the bereaved families of our troops lost in action; nor, indeed, will the loss of Iraqi lives. We can never pay tribute to them often enough.

The future of Iraq should engage us all, whatever position we took on the war, because peace and security in Iraq is not only vital to regional stability but critical to the UK's interests on human rights, counter-terrorism and energy security. Once our armed contribution has concluded and our combat troops have returned home, we should invest the time and effort to learn thoroughly any further lessons. For now, all the efforts of our professional and experienced staff—from our soldiers to our diplomats and aid workers—need to be focused on creating the best possible transition from a predominantly military relationship to a predominantly economic, diplomatic and cultural relationship with Iraq. That is what the Government will be doing and I believe that it is what the House should be doing, too.

1.41 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): The right hon. Member for Richmond, Yorks (Mr. Hague) forensically showed how the Government's position on an inquiry has evolved over time. I hope to add to his analysis by showing that each of their arguments along the way was bogus. I have decided that that is the right approach, given the speech that we have just heard from the Foreign Secretary, who was still unable to make any strong argument for delaying the inquiry.

Indeed, in last year's debate on the subject the Foreign Secretary set out all the arguments for an early inquiry and then proceeded to try to demolish them, in much the same way as Tony Blair set out the arguments against going to war with Iraq and tried to demolish them in that famous debate. Both attempts were flawed, although it is interesting to note that Tony Blair and the Foreign Secretary used different debating tactics.

In seeking to undermine our case against the Iraq war, Tony Blair adopted the Aunt Sally approach. He never dealt with the precise arguments against the war, but instead tackled inexact interpretations and caricatures of those arguments, whether they were on the legal position, the option of letting UN weapons inspectors continue or warnings that war would simply create a worse problem. He got away with it, of course, primarily because the vast majority of Conservatives were taken in by the dodgy dossier and the dodgy arguments.

To be fair to the Foreign Secretary, he did not take that Aunt Sally approach last year. If one re-reads his speech in *Hansard*, one sees that he took the arguments head on. The problem was that he utterly failed to make his case. He got away with it that time because Labour MPs who had previously bravely voted against the war could not bear to support a motion tabled by an unrepentant Conservative party. I feel increasingly sorry for the Foreign Secretary as he has to defend the impossible legacy of his right hon. Friends, yet such sentiments cannot get in the way of our scrutiny of his position.

Let us remind ourselves just how spectacularly bad the Foreign Secretary was in the debate on this subject last year. He said that there were four arguments for an early inquiry: precedent; the alleged limited activities of our troops, which meant that an inquiry would not get in the way; the need to learn lessons; and the fact that memories will fade.

On precedent, there was an interesting history debate, spanning the Dardanelles in 1915, the Norway campaign in the second world war and the Falklands. We have heard those arguments again today. However, it was the

Conservative hon. Member for Mid-Norfolk (Mr. Simpson) who took out the Foreign Secretary's middle stump with his reference to the inquiry set up into the ill-fated Anglo-Indian campaign of 1916 in Mesopotamia, which we of course know as Iraq. I can now see why the hon. Gentleman is in charge of summer holiday reading lists for Conservative MPs; he certainly sent the Foreign Secretary packing.

The Foreign Secretary then tried to demolish the second argument for an inquiry, which was that our troops' role in Iraq has for some time been rather limited, so an inquiry could not possibly prejudice their position. The Foreign Secretary thought he was on stronger ground—after all, the current Prime Minister's main argument is that nothing should divert us from restoring stability in Iraq. To make his case, the Foreign Secretary listed the training, monitoring and mentoring role of our troops and their work in their overwatch role, as he has done today.

Under fire, the Foreign Secretary simply ran away. He failed totally to answer any of the counter-arguments—put from both sides of the House—to his specious arguments. The hon. and learned Member for Medway (Mr. Marshall-Andrews) asked which British army commanders had advised that an inquiry would undermine our troops. The answer was, "None". The right hon. and learned Member for Rushcliffe (Mr. Clarke) noted that very few of the forces stationed in Basra would be needed for the inquiry, given that few, if any, of them would have been involved in the political decision making or indeed the invasion and its immediate aftermath. That killer point was totally ignored then and has been totally ignored today.

When I asked the daft wee laddie question about exactly how our troops' operations would be hindered by an inquiry, the Foreign Secretary failed to enter the cut and thrust of the debate. Even today, when I pressed him on the same point, he was unable to be in any way precise about the impact of an inquiry on operations in practice.

Mr. Heath: I am very glad that my hon. Friend is laying out the specious nature of the argument that nothing must distract the Foreign and Commonwealth Office and the Ministry of Defence from their essential tasks in Iraq. Does he believe, as I do, that the fact that when our troops come home from Iraq they will almost certainly be redeployed to a conflict in Afghanistan makes that argument particularly absurd? If we are not focused on Afghanistan, what on earth do we have these Departments for?

Mr. Davey: My hon. Friend has strengthened my argument. The argument that an inquiry would somehow get in the way of the operations of our troops, the Ministry of Defence or DFID would apply equally to the fact that we have operations ongoing in Afghanistan. Indeed, those operations are far more serious than those under way in Iraq. My hon. Friend makes a powerful point and the Government have no answer to it.

Mr. MacNeil: The hon. Gentleman may be aware that five years ago, another of the United States' very junior parties carried out an independent inquiry, in February 2004, into the pre-Iraq intelligence and the threat of weapons of mass destruction. That inquiry felt that that evidence may have been "overstated". It also felt that the conservative Government in Australia were "more measured" than their alliance partners, who had not always accurately portrayed the intelligence that they had received. Which of the alliance partners does the hon. Gentleman think the Australian Government may have been thinking about?

Mr. Davey: I think the whole House knows the answer to the hon. Gentleman's question.

Let me return to the Foreign Secretary and his rather inadequate performance last year. Having failed to deal with the argument that an early inquiry would get in the way of our troops' operations, he then said we did not need an inquiry to learn any lessons because, somehow, miraculously—in a way that everyone else had clearly missed—the lessons had already been learned. According to the Foreign Secretary, there had been two studies by the Ministry of Defence of the operations in Iraq. There had been internal reviews. The Foreign Secretary said with a straight face that the civil service and armed forces continually adjusted and updated their strategies in the light of experience. I am not joking. That argument was served up to us a year ago by the Foreign Secretary. He was effectively saying that although the Government supported an inquiry at some stage in the future, that inquiry would not be about learning lessons because they had already been learned. That was an astonishing argument to make and showed how weak the Government's position is.

Mr. Holloway: Does the hon. Gentleman agree that our troops would probably greatly appreciate an inquiry that might at last address the deep structural problems in the so-called comprehensive approach?

Mr. Davey: I think they would. I am not so sure whether that would fit in with this particular inquiry, as I shall discuss later. We need to be careful about the remit of the Iraq inquiry. The hon. Gentleman makes an important point and the Liberal Democrats are very much in favour of a strategic defence review that might deal with some of the points to which he alluded.

The Foreign Secretary tried to deal with the fourth argument for an early inquiry, which was that memories might fade and records be lost. We heard that argument once again today from the right hon. Member for Richmond, Yorks. Last year, the Foreign Secretary started well, pointing out that much had already been produced for the previous four inquiries. He conceded that these inquiries had been narrow and limited, but the implication was that they had helped to conserve the information and gather it together so that it would be ready for the full inquiry. I would almost give him half a point for that exchange. Since then, we have had revelations through freedom of information requests of documents that it would seem Hutton definitely could not have seen—and that Butler either did not see, or failed to focus on.

As the right hon. Member for Richmond, Yorks reminded us, it is indisputable that, with the passage of time, memories fade and people die. So the Foreign Secretary did not even win his strongest position. In other words, in opposing the case for an early inquiry last year—12 months ago—the Foreign Secretary failed.

[Mr. Davey]

Yet here we are a year later, and the Prime Minister and the Foreign Secretary are still playing for time. However, we need to be careful and look at what they said, and in that regard the intervention from the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) had the Foreign Secretary on the ropes. The Government's position is that there will be an inquiry when the combat troops have returned, but there is no precision about when it would be set up at that point. Indeed, *Hansard* shows that the Prime Minister and the Foreign Secretary said that the case for an inquiry would be "considered" when the troops had returned. There is no specific timetable: the Government are still wriggling about their position, and that is simply not acceptable.

The case for setting up an inquiry immediately, with no more time wasted, is, in our view, watertight. It has been so for a long time, yet the Government's continued resistance invites the question, "If not now, then when?"

The logic of the Government's position, which was again drawn out by the right hon. Member for Richmond, Yorks, is that the inquiry should be announced now and begin on or around 31 July, when the troops are supposed to be coming home. My hon. Friend the Member for North Devon (Nick Harvey) pressed the Foreign Secretary on the timing of the inquiry during the Queen's Speech debate on foreign affairs. He asked whether it would have to wait until every last man was out of Iraq, and the right hon. Gentleman's response was absolutely clear. Indeed, he was as precise as any member of the Government has ever been about the matter when, on 10 December last year, he said:

"No...We are not going to hide behind the idea that the last troop must have come home. We have always made it clear that our commitment is in respect of combat troops"—[*Official Report*, 10 December 2008; Vol. 485, c. 566.]

To be fair to him, the Foreign Secretary repeated that today.

As the right hon. Member for Richmond, Yorks set out, even the lame excuses of last year can have no force now. On the face of it, if we are to have faith in anything that the Government say, they must announce the inquiry before the summer recess, at the very latest. If they do not, it could—and it certainly should—have serious implications.

Already, the Secretary of State for Justice, the former Foreign Secretary, has vetoed a decision by the Information Tribunal and blocked the publication of the minutes of the key Cabinet meetings. He has been judge and jury in his own trial, and that makes it look as though the Government were guilty of covering something up. However, if the Government fail even to set up the inquiry that they have promised, then the charge that the Prime Minister and others have something more sinister to hide will become very toxic.

Let us assume for a moment that even No. 10 now knows that further prevarication is impossible. When the Government eventually get around to setting up the inquiry, questions will arise about its nature. The Conservatives today proposed the Privy Council approach, along the lines of the Franks inquiry, and that has some attractions, with the greatest being that such an inquiry would be able to receive top secret material and ensure access to all papers and persons.

Yet that approach has one big disadvantage—that it would meet, as I understand it, in private all the time. As my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) has argued, one of the purposes of an inquiry is to restore the public's trust and confidence. That demands an inquiry in the open.

So what should the Government do? We believe that a Privy Council approach is better than a judicial inquiry in this case. The key questions and the key judgments that will have to be made are essentially political, not legal—and, above all, we do not want a repeat of Hutton. I can see no reason why a Privy Council inquiry could not hold many of its meetings in public, as long as clear rules were established from the start for when it goes into session in camera.

There is huge experience now in the courts and other tribunals about managing the balance between public and private hearings. Not least with the new procedures for dealing with terrorist cases, there is up-to-date and recent experience in a variety of procedures about how to strike the balance in different ways. So when the Government eventually announce the inquiry, we will want to know how it proposes to strike that balance. We believe that the inquiry must lean as much as possible towards total openness and transparency.

Andrew Mackinlay (Thurrock) (Lab): I am grateful to the hon. Gentleman for letting me intervene; I would have to go to the Foreign Affairs Committee to deal with similar matters. What troubles me is that, whatever the nature of the inquiry, the oath must be administered to those who give evidence. Not only would that make it clear to witnesses that they must tell the truth, the whole truth and nothing but the truth, but it would afford them some protection from Departments and agencies that might lean on them to be less than frank. The process will remain seriously flawed until people are compelled to tell the whole truth, with the possibility of committing perjury if they do not.

Mr. Davey: The hon. Gentleman makes a very strong point, and I hope that Ministers will impose that requirement when the inquiry is eventually announced. When that happens, of course, we will want to hear about the inquiry's remit. Although there would be no point in an inquiry that did not have a wide remit to investigate all aspects of the matter—from the decision to go to war to the pre-planning for post-conflict, as well as the invasion itself and its aftermath—it is surely a matter of debate as to exactly what the focus of an inquiry should be.

The inquiry could, for example, be focused on military tactics, decisions, equipment and so on. Although we believe it is essential that we find more and better ways of protecting our troops in conflicts, and of caring and supporting them and their families both during and after those conflicts, we emphatically do not think that this inquiry should be about the military.

Our armed forces were fantastic. They should have the support of all sides of this House, and it should be made crystal clear that an inquiry will not focus, to any large extent, on the role of the military. Yes, we need evidence from those who have served, especially the commanders, but the primary objective must be to probe the political rather than the military decision making. For it is British politics that will be under the

spotlight. That light will focus on the former Prime Minister, of course, but also on his key advisers and members of the Cabinet and the civil service. Parliament will also be examined, including the role of Opposition parties and individual MPs.

Whether one agreed with the Iraq war back in 2003—or whether, with the benefit of hindsight, one agrees with it now, or thinks that today's world is safer as a result—no one can doubt its historic significance, heavy costs and implications for the future. What went right with the political process over Iraq, and what went wrong, could not be more significant. It is to those questions that the inquiry must be directed.

Mr. Gregory Campbell (East Londonderry) (DUP): The hon. Gentleman is coming to a very important point in his speech. Does he agree that one of the crucial aspects of any inquiry is that the entire nation, and our magnificent serving soldiers, need to know that the rationale behind any future conflict is defensible, justifiable and durable for the future?

Mr. Davey: I could not agree more with the hon. Gentleman.

Let me be clear, however. I am not suggesting that the inquiry's remit should be over-prescribed—tempting though that might be, and even more so if Liberal Democrats were alone able to write it. However, its remit must be flexible enough to try to get the truth behind the many unanswered questions and serious allegations. They include, for instance, the question of how and why the Attorney-General's legal advice changed, and how and why the expert intelligence was abused and politicised in No. 10.

For the sake of brevity, let me give just one example of the questions the inquiry must be able to tackle. This question goes to the heart of the legal and political case made for war, and it is one that could have massive implications in the future. I am referring to the issue of how close Iraq was to manufacturing nuclear weapons.

Much attention has focused on the notorious 45-minute claim, yet there has been much less publicity over what seems to me to be the critical question of the validity—and, indeed, the veracity—of the claims made by Tony Blair, in the dossier and in Parliament, that Saddam Hussein was between one and two years away from producing a nuclear weapon.

Understanding how that assessment was made could be critical for future policy, given the huge and pressing problem of Iran's nuclear capabilities. People often talk about the parallels with Afghanistan, and the lessons that can be learned for that conflict, but the parallels and lessons in respect of Iran are at least as important. So if there is one question that I think it essential for the inquiry to consider, it is this nuclear question.

It is also essential that the inquiry look at that question for the reason that it was fundamental to the case made by Tony Blair for going to war. The evidence, as far as we have it today, is extremely damaging for him. If one pieces together the various drafts of the dossier as we now have them, and reads them in the light of the memos and emails that have been obtained—mainly through the assiduous freedom of information requests made by the superb investigative journalist, Chris Ames—it becomes clear that there was a concerted and politically driven effort to alter the assessments made by Britain's intelligence experts.

The Butler inquiry revealed some of that information; it showed that the Joint Intelligence Committee's last major assessment of nuclear capability was that

"it would take at least five years to produce a nuclear weapon."

There was a rider that the

"timescale would shorten if fissile material was obtained from abroad",

yet no serious evidence—even in the dodgy dossier—was advanced for that. Instead, in just three days, the "at least five years" time scale was more than halved, with no evidence.

Butler questions that, but makes no attempt to explain it. There is no attempt to apportion responsibility despite the centrality of the issue. An inquiry must provide an explanation. Was it, as some of the recently published memos suggest, because the Americans had changed their assessment? Between the publication of the two key dossier drafts, in a speech made on 12 September, George Bush claimed that Iraq would have nuclear weapons within a year. Was it the request made by a senior Cabinet official, Desmond Bowen, in an e-mail to John Scarlett of 11 September to reduce or remove any caveats or hedged judgments? Whatever the answer, we need to know how such deceptions can be prevented in the future, and the inquiry's remit must be wide enough to enable that to happen.

Mr. Baron: The hon. Gentleman rightly pinpoints one example, but he will accept that there have been many others since the Hutton inquiry, born of FOI requests that raised further questions about how intelligence was misrepresented. Does he not believe that that leads us to the view, as revealed in a leaked Cabinet Office memo of 21 July 2002, that the Prime Minister and President Bush had already decided to go to war, but that one of the conditions was that public opinion in the UK had to be prepared during the lead-up? That was the importance of the dodgy dossier.

Mr. Davey: The hon. Gentleman makes a good point. I could list a series of other allegations, slightly less well evidenced than the nuclear one, that Parliament and the British public were misled.

Mr. Hancock: Does my hon. Friend believe it is important for the inquiry to consider the fact that the then Chief of the Defence Staff, Lord Boyce, would have resigned had legal justification for the war not been presented to him? That would have put the Government in a very embarrassing position. One of the reasons the legal opinion was changed was to satisfy the head of the armed forces and give him a firm assurance that there was legality for the operation.

Mr. Davey: My hon. Friend is exactly right. By giving the example of the nuclear question, I wanted the Foreign Secretary to ensure that when the inquiry is announced in due course it will not be restricted in any way when dealing with all those key questions.

Time is running out for the Government. I am sure Ministers and ex-Ministers are thinking about what will happen—the legacy question—if and when Labour loses. The Prime Minister had the chance to clear the decks immediately he came to office. He could have broken with Tony Blair's Iraq war legacy and started to rebuild public trust with an inquiry into the war. In the process,

[Mr. Davey]

he would have built a stronger legacy of his own, but he failed; he ducked that chance and increasingly it seems that the legacy of Iraq is one that he will share with Tony Blair.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the House that Mr. Speaker has placed a 10-minute limit on Back-Bench speeches, which applies from now.

2.3 pm

Dr. Tony Wright (Cannock Chase) (Lab): I very much enjoyed the speech made by the right hon. Member for Richmond, Yorks (Mr. Hague), who is just leaving the Chamber. As I always do, I am now in a devilish way detaining him.

The only note I thought was missing from the right hon. Gentleman's speech was humility. If we take ourselves back to those days in 2002 and 2003, I am afraid that the people in this place who were the great cheerleaders for war were not interested in exploring the kind of questions being asked from the Labour Benches about the legality of the war, and whether there were in fact weapons of mass destruction or whether a false prospectus was at work. None of those questions was at all interesting to the Opposition—*[Interruption.]*—to the official Opposition, who simply wanted to go further, faster.

The courage was shown on the Labour Benches—*[Interruption.]*—and the Liberal Democrat Benches, where Members interrogated the arguments, and huge numbers of Members on the Labour Benches found they could not go with the Government. If there is to be an inquiry, the one inquiry the official Opposition could set up immediately would be why they failed during that critical period—the one time when they needed to be effective. As we now know, they had it within their power to prevent British engagement in the Iraq war. The Conservative party should immediately put in place an inquiry as to why the official Opposition failed during that period.

Mr. Holloway: Will the hon. Gentleman give way?

Dr. Wright: These are only preliminary remarks but I am happy to give way to the hon. Gentleman.

Mr. Holloway: I was a television correspondent during the war in 2003, and most of us in the media and the vast majority of the British public also swallowed the lie.

Dr. Wright: I suspect most of us are quite anxious not to relive all those arguments in our few minutes' speeches. I was simply making the point that the arguments were intense at the time on the Labour Benches and on the Liberal Democrat Benches and not at all on the Conservative Benches, with a very few—

Mr. Andrew Turner (Isle of Wight) (Con): And on this side.

Dr. Wright: With a very few honourable exceptions. It is worth inserting those observations into the call for an inquiry now.

I want only to say something about Parliament's role in the whole business, because that matters hugely. Just last week, two people gave evidence to the Public Administration Committee. One was Brian Jones, who was the leading defence intelligence expert at the Ministry of Defence. He said in terms that he thought Parliament had completely failed to ask the questions about Iraq that needed to be asked. He was followed by Mr. Carne Ross, a Foreign Office diplomat with experience in Iraq and in dealing with Iraq issues at the United Nations on our behalf who resigned from the Foreign Office over Iraq. He said in terms that he thought Parliament had been simply pathetic in its failure to get to the bottom of what happened.

The question is whether we are content for that to be the case or whether we are not content and want to do something about it. The Committee, which I have the privilege of chairing, has explored the issue in enormous detail in recent years. In 2005, we carried out an inquiry into inquiries called "Government by Inquiry", which covered the sort of issues that are being raised today about the kind of inquiry one might have and about the benefits or demerits of certain types of inquiry—public or private, led by judges or led by other people. Those are proper arguments and I think the House would find our report helpful in thinking its way through some of the issues.

The Committee found that Parliament had given up the ability it routinely had in the 19th century, but has lost in more recent times, to commission inquiries. That has been a retreat on the part of the House. We proposed a device, which we called a parliamentary commission of inquiry, to insert Parliament back in the picture. In the Inquiries Act 2005, we formally gave away any residual rights we had when the role that Parliament used to have under the Tribunals of Inquiry (Evidence) Act 1921 was removed. At least then there could be parliamentary resolutions to set up inquiries, but that power has gone. That is a huge retreat on the part of Parliament.

We now have a situation that the public find inexplicable. As we now know, there is a huge majority in this place who think there should be an inquiry on Iraq—the biggest issue in foreign policy since the second world war—where something important seems to have gone wrong. A huge majority in the House think an inquiry needs to be set in motion, yet it seems that it is not within our power to commission such an inquiry.

This allegedly sovereign Parliament cannot do anything other than keep requesting of the Government that they—the Executive—set up an inquiry. That cannot be satisfactory. The House has to find a way, a time, and a device, on a cross-party basis, that enables us to get such an inquiry, on behalf of Parliament, the people that we represent and, possibly crucially, our armed forces. I suspect that the people who most want an inquiry are those who have been associated with military activity and their families. We have to find a device that enables such an inquiry to take place. If we do not find such a device, but simply sit around requesting that one day an inquiry be commissioned, we as a Parliament are not doing our job.

I say to my right hon. Friend the Foreign Secretary, whom I like and respect enormously, as he knows, this is the very last time when he can make the arguments that he made today. Unless he comes to the House before the

summer recess and says that an inquiry is to be commissioned, Parliament is entitled to insist, before the summer, that that is done.

2.11 pm

Mr. John Baron (Billericay) (Con): First, I concur with the hon. Member for Cannock Chase (Dr. Wright) that it is probably members of the armed forces who served, and who are still serving, in Iraq who want an inquiry more than anyone else. They want to know the answers to certain questions to do with why this country went to war, because they have done everything that we have asked of them. The fault, if there is a fault with regard to the war, lies with us in this place.

No one could doubt that we need an inquiry now. We have seen the scale of the foreign policy disaster, and the scandalous presentation of the intelligence information in the lead up to the war, and now the troops are returning. Now is a good time to have that inquiry. I do not think that anybody can dispute the fact that the war was an act of great folly. We went to war on a false premise; there were no weapons of mass destruction. We removed a tyrant, but that was never the justification for the war. It has never been the justification for any war. The intervention has brought about the involvement of foreign fighters in Iraq, some of them al-Qaeda. It has meant that the balance of power has been disrupted, to the extent that Iran is now the predominant power in the region. It has radicalised parts of the Muslim world against us, and we have seen for ourselves the great sacrifice of our troops in theatre.

All that was done, I would suggest, to satisfy the hubris of a former Prime Minister who still to this day believes that it is better to err with the United States than to stand up and say to a friend that they got something wrong. An inquiry is required to examine not just the misrepresentation of intelligence in the lead up to the war, or the lack of post-war planning, but, to return to the point made by the hon. Member for Cannock Chase, our collective failure to reign back, or at least challenge, the hawkish ambitions of someone whom I certainly consider to be a rogue politician.

Nowhere is the failure—our failure—better illustrated than in the Iraq dossier of 2002. A good number of hon. Members present will remember that we were recalled in September 2002 to hear about what was supposed to be a very important document. It was an opportunity for the Government to share with the public, as well as with us, for the first time internal advice given to Ministers by the security services.

As a result of freedom of information requests made since then, and since Hutton, two things have become clear. First, the dossier was not, as our former Prime Minister claimed, solely the work of the Joint Intelligence Committee. Spin doctors were heavily involved on the inside of the process, drafting material, making suggestions and influencing the way in which the document was presented. Secondly, it is now possible, because of the wealth of information that we have received, even since the Hutton inquiry, from freedom of information requests, to piece together exactly how the intelligence reports were, to use that unfortunate term, sexed up.

Let me briefly touch on the role of the spin doctors. We have long known that the dossier requested by the Prime Minister was, in reality, commissioned from the chairman of the JIC by Alastair Campbell, who chaired the two planning meetings on the dossier on 5 September and 9 September. We now know that spin doctors were also on the inside of the drafting process. Nothing illustrates that more clearly than the fact, which we have since learned, that one of the press officers, John Williams of the Foreign Office, actually wrote a preliminary draft dossier one day before the official draft was circulated under the name of the JIC chairman, John Scarlett, on 10 September.

The significance of that document was downplayed by the Government during the Hutton inquiry. The Foreign Office was finally forced to make the dossier publicly available only last year, following a ruling of the Information Commissioner—a point that I raised in Prime Minister's questions with the then Prime Minister. As a result, there is every reason to think that Williams was part of the formal drafting process, and that his influence was formative. For one thing, John Scarlett's draft of the following day was circulated with an acknowledgment of

"considerable help from John Williams".

Indeed, it is possible to identify passages that appear almost verbatim in both versions. Drafting notes and instructions apparently originated by Williams also appear in Scarlett's draft.

Out of fairness, I have asked the Foreign Office to publish any information that both people could have used as a common source of material, because one could theoretically suggest that such material was the reason the spin doctor or press officer's draft, and the subsequent draft of the JIC chairman, were the same or very similar. However, the Foreign Office has continually refused to publish any such information. One can only infer that John William's draft played a major role in the production of the draft produced the next day by the JIC chairman.

It is important to remind ourselves why the involvement of those press officers is so important. Lord Hutton cleared the Government of sexing up the intelligence only because he believed that

"The dossier was prepared and drafted by a small team of the assessment staff of the JIC"

and

"was issued...with the full approval of the JIC."

All the evidence suggests that that is simply not true. Once the spin doctors became involved, the dossier process took on a life of its own, and the JIC retained only a distant, supervisory role.

That the dossier was sexed up there can be no doubt. We have long suspected that balanced judgments and reservations expressed by the intelligence community were transformed into near-certainties, and now we have some of the evidence. One clue was given away in a response to an FOI request made only this month. An internal minute from Desmond Bowen, deputy head of the overseas and defence secretariat in the Cabinet Office, to John Scarlett, copying in Alastair Campbell and Jonathan Powell, reads:

"In looking at the WMD sections, you will clearly want to be as firm and authoritative as you can be. You will clearly need to judge the extent to which you need to hedge your judgements with, for example, 'it is almost certain' and similar caveats...I appreciate that this can increase the authenticity of the document in terms of it being a proper assessment".

[Mr. John Baron]

He goes on to say that that is absolutely necessary. That is a damning summary of what went wrong in the dossier-drafting process.

Mr. Paul Truswell (Pudsey) (Lab): Will the hon. Gentleman give way?

Mr. Baron: I will, but it must be very quick.

Mr. Truswell: The hon. Gentleman is constructing an admirable alibi to justify his party's complicity in the decision to go to war with Iraq. If he was not involved in that, then clearly my comments do not apply to him. Some 140 Labour Members voted against going to war with Iraq, as did virtually the whole Liberal Democrat party and a number of other parties. However, only six members of the Conservative party did so, although so many Members across the House weighed the evidence that was before them at the time and drew a completely separate conclusion. Is this exercise not partly about getting his party off the hook?

Mr. Baron: I am sorry that the hon. Gentleman has only recently come into the Chamber. As one of those six who voted against the war, I will not bother answering that.

I am trying to build up a case for to why the intelligence was misrepresented to the House. That is one good reason why we were misled. I have no problem with any Member who voted for the war, because the Prime Minister was fundamentally misleading the House in presenting the intelligence that he did. It was very excusable to support the war at that time, when we were being told by our Prime Minister that the intelligence available to him had built up such a strong case for war.

But I accept that we as a Chamber and as a Parliament failed in our duty to question that Prime Minister strongly enough, which is why the inquiry should have available to it all the Cabinet papers leading up to that decision, because that will reveal that the decision was taken in July 2002 to go to war, the precondition being that public opinion had to be prepared in this country. That is why the dodgy dossier had such an important role.

Time is short and I know that others want to get in, so let me summarise. There is a clear indication that spin doctors played a fundamental role in the production of that intelligence, and that it had a mission to persuade a sceptical House and a sceptical public of the need for war. As I have suggested, the decision to go to war had been taken well before. There is a leaked Cabinet Office memo of 21 July 2002, which the Government have refused to dismiss as untrue and which was published in *The Sunday Times*. It makes the point that the decision had been taken, but a precondition was that the then Prime Minister had to persuade a sceptical public that war was needed. That was the importance of the dodgey dossier.

In conclusion, speaking from Iraq in June 2007, the Prime Minister said that lessons must be learned on the use of intelligence in the run-up to the war. Almost two years after that, the troops are returning home. Now is the time for action, not words.

2.22 pm

Derek Twigg (Halton) (Lab): May I put on record, as I always do in such debates, the fact that I recognise the courage, professionalism and bravery of our armed forces and the amazing job that they do. We must never forget how many of them have lost their lives in Iraq, Afghanistan and elsewhere, and we must never forget those injured and the many thousands of Iraqi civilians who have been killed as part of the invasion of Iraq and the aftermath.

I have been to Iraq on a number of occasions to visit our armed forces personnel and my admiration for them knows no bounds. The last time I went we were in 50° heat going into Basra, and the fact that they were able to operate, work and fight in such conditions is quite remarkable. They have achieved much, and we should not lose sight of that in the debate. Often they said to me, "We are not sure the Government or the country appreciate what we were doing out here. We feel we are doing a job." Development is taking place, the Iraqi army has been trained and even the police are getting better. That is taking place to this day and has been outlined in the Front-Bench contributions. We should not forget the dangerous work that our armed forces personnel are still doing.

I, for one, will not run away from my responsibility for voting for the invasion of Iraq. I still believe that that was the right decision. If it had not been based on the issue of weapons of mass destruction, I believe that Saddam was such a destabilising influence in the middle east that, given his track record, we should have done all we could to remove him in any case. However, I accept the accuracy of some of the information that we have been given, and there have been a number of inquiries, so I will not go over all that again.

John Barrett: Will the hon. Gentleman give way?

Derek Twigg: Briefly. I am conscious that several other hon. Members wish to speak.

John Barrett: Does the hon. Gentleman recall that at the time it was put by his Labour Government to Saddam Hussein that if he gave up his weapons of mass destruction, he could remain in power?

Derek Twigg: That was a man who was completely untrustworthy, with a track record of causing conflict and thousands of deaths in the middle east. He was a dangerous, dangerous man, and I think the decision to remove him was the correct one and Iraq is a better place for it.

As I said, I will not run away from my decision to vote for the war, but I take exception to those who are trying now to blame the Government for the fact that we went to war, and those who do not accept their responsibility for not asking the right questions or for not taking the decision that they would have taken if they had known what they know today. I respect those who voted against the war. I did not agree with their position but I respect them for it, and they have every right to make the points they do, unlike the Opposition, who are trying to wriggle their way out by blaming it all on the Government.

Iraq is still a very dangerous place. There is a lot of hard work going on there. I support the Government's position on when a public inquiry should take place—in other words, that we should not announce it at this stage. We will have to announce one; that is the right thing to do.

I am struck by the fact that the Opposition have been telling us for years that our armed forces are overstretched, are too busy and have too much to do. There is no doubt that they are amazingly busy and have an immense amount to do, but the Opposition want us to start an inquiry and put more pressure on the armed forces at a time when we are talking about a draw-down from Iraq and changes in Afghanistan, with the American surge and the discussions that will take place between the Americans, the EU and NATO about our future policy and role in Afghanistan.

It would be wrong to announce an inquiry now. The key thing is to get on with the draw-down in Iraq and with the plans for Afghanistan, and not distract our armed forces and those in charge of them at this time.

The argument has been put forward from the Opposition Benches on a number of occasions that our armed forces personnel—the soldiers, sailors and airmen and women—are demanding an inquiry. That has not been my experience. In my many trips around the world to visit our armed forces personnel, I can hardly remember an occasion when someone raised the issue. I do not accept the suggestion that our armed forces also want an inquiry.

There is no doubt that we should hold an inquiry. I support that for various reasons, but I have explained to the House why I believe the Government's position is the correct one at this stage. There is some suggestion that we are trying to cover things up or hide them away. Several inquiries have already taken place—Hutton, Butler, the Intelligence Committee and the Select Committee. There have been numerous debates in the House about the reasons for the invasion, the aftermath, the way we have dealt with it, the military operations and so on. The suggestion that we are trying to hide from debate is plain wrong.

We already know about some of the issues, such as the 45 minutes and the weapons of mass destruction. I recall that Butler said in his report that it would be a rash person who claimed that stocks of biological or chemical weapons would never be found in Iraq. I do not know whether they will or not, but we do know that mistakes occurred there. We know about the problems caused by the disbandment of the Iraqi security forces, the army and the police, and no one doubts that that was a mistake. We know that some of the tactics that we employed in the counter-insurgency war, and the development issue, the lack of civilian involvement and the slowness in moving things on were mistakes. That is not hidden away, so I am not sure what the inquiry will reveal that we do not already know about those aspects.

We know what the intelligence failings were. I disagree that the then Prime Minister or the Government deliberately misled the House. There is no evidence to support that from the inquiries that have already taken place. It is a smokescreen used by people who opposed the war or want to be seen to have opposed it because they did not believe the information that was given to them.

Mr. Baron: Will the hon. Gentleman give way?

Derek Twigg: If the hon. Gentleman does not mind, time is tight and many of my hon. Friends wish to speak.

The House had ample opportunity to question the Government and Ministers about the issues before the invasion and since. I do not accept that the Government are hiding anything in any way.

I can think of few perfect wars. There are always problems when military action is taken, for whatever reason. I shall not go into all the historical reasons, but the planning can go wrong, things can go wrong on the ground and there are issues of equipment and supplies. Over the centuries, there have always been such problems in war and it is wrong to suggest that there is such a thing as a perfect war. However, we should always learn lessons. One obvious issue is whether mistakes in previous wars from which we should have learned have been made again; the inquiry that has to take place should look into that important issue. That inquiry should not only take account of the decisions leading up to the war and the discussions that took place, but go back well before that to consider our relations with Iraq and Saddam's regime.

For me, the key thing is that the inquiry should draw in all those elements and put them together in a full report, so that we can see what happened stage by stage. All the published reports to which I have referred should be included, as should be the additional information that might well come out of the inquiry's investigation. I am sure that the House would have ample opportunity to discuss such issues when the inquiry report was published.

As I said, I still believe that the decision to go into Iraq was right. Saddam was a terrible destabilising influence in the middle east; he was responsible for the deaths of tens of thousands of his own people and others in the region. I believe that history will show that we did the right thing. Iraq still has lots of difficulties and problems, but it is in a position to move forward again on its economic development, its schools and its democracy in Government. We must give it our full support.

I finish by saying that whatever happens and however the House deals with this issue, we must always bear it in mind that when we send our armed forces out there, they are doing the bidding of the Government. They have gone out and done a remarkable job, and many rightly feel that they have achieved much amid terrible sacrifice and terrible conditions. I would not like our armed forces personnel, who have been fighting, working hard and supporting development in Iraq and Afghanistan, to feel in any way that their efforts have been worthless—they have not been—or that their efforts have not been fully appreciated by the country. I am sure that they have been. They are the finest armed forces in the world, and we should continue to support them in all the ways we can.

2.32 pm

Mr. Adam Holloway (Gravesham) (Con): How did we stumble into this war without understanding how it would evolve, without a strategy for success and without the resources necessary to achieve that success? The Government narrative claims success in Basra—and it is a success, despite everything. However, the Government claim that it is due to some sort of British master plan

[Mr. Adam Holloway]

and is a triumph for British strategy. Some amazing things have happened, including those involving my constituent Colonel Richard Iron, who was recently described as the saviour of Basra, but that Government claim is just not true.

The vast majority of our population are not as stupid as the Government think. Every time the Chief of the Defence Staff or another senior officer stands up and reads out the Government-approved narrative, the reputation of our armed forces suffers, we further damage the reputation of the UK, and we drive radicalisation across the Muslim world. Huge questions arise in all sorts of important areas. Furthermore, and importantly, while we continue the delusion that we got things right, we repeat some of the mistakes made in Afghanistan, where British troops are still being killed and many more maimed for life.

Those who claim that we should not expose things that went wrong while we are in the midst of war say that to do so would undermine the morale of our armed forces, who are committed to battle. Nothing could be further from the truth. Take the example of the United States, which was virtually beaten in Iraq in 2006. By 2008 its armed forces had been radically reformed and it had turned what had looked like defeat in Iraq into near-victory. The Americans engaged in open debate, encouraged criticism and involved the American public, media and academia.

I understand that bits of any inquiry might have to remain private, but its purpose would not be to embarrass the Government, although it probably would. With a new President in the White House, we have a gigantic opportunity to remould what has become known as the "war on terror".

Mr. Ellwood: My hon. Friend mentioned President Obama. General David Petraeus is one of the most influential generals speaking to President Obama, and his big statement has been that it is no longer acceptable simply to defeat the enemy; we also have to enable the local. Do we not need an inquiry into the Iraq war because we have failed so badly to enable the local? Our military did a fantastic job in defeating the enemy, but Government Departments failed to enable the local and to reconstruct the post-conflict environment.

Mr. Holloway: I totally agree. This is an opportunity to reset the conditions needed to win our struggle against political Islam. We will not be able to do that if we do not try to understand what happened. If we had sat down on 12 September 2001, written on the back of a cigarette packet a plan called "How to lose the war on terror" and acted on it, we would have done many of the things that Britain and America have done. The invasion of Afghanistan, of course, was brilliantly executed and our troops and intelligence services have done an amazing job. However, overall there has been no grand plan or strategy. We started okay: we invaded Afghanistan and quickly achieved our primary objective of getting rid of al-Qaeda and pleasing the Afghan people by removing the Taliban from power.

Then, however, our focus switched to Iraq. The decision to offer UK support to a US invasion was made pretty much alone by the then Prime Minister at the so-called Crawford summit in April 2002. The only thing on Tony Blair's mind at the time seems to have been to win influence over the United States. There is no evidence that at that point the Prime Minister sought or received any guidance from the Ministry of Defence, so he was unable to set military conditions over US war plans. Remember the pictures of Churchill and Roosevelt with the chiefs of staff standing behind them during the second world war? I do not think that any such picture exists of Mr. Blair and President Bush.

Mr. Blair is reported to have returned to the UK and asked the Ministry of Defence to come up with a plan to support an American invasion. On the day of the invasion, we still had no agreement with the US on a political end-state for Iraq. In fact, as I have said before in the House, we ended up in Basra only because of a decision by the Turkish Parliament, not the British one. The Turks voted not to allow us to use their territory as a launching pad for entry into Iraq. So we involved ourselves in a US invasion through a decision by our Prime Minister at a ranch in Texas without reference to the people who would have to carry it out, and we ended up taking responsibility for southern Iraq almost by accident.

Once we got ourselves in, our objective was to get out, initially by reducing our force numbers as soon as possible from 40,000 to 15,000. At the same time, we were wandering around telling anyone who would listen that the UK were the best at counter-insurgency warfare. What of that so-called comprehensive approach, or elements of it? Our focus was not on the development and restoration of security in Basra, although that was required of us under the Geneva convention, but on cutting down force numbers.

Even today, Baswaris ask what the UK has done for them; there is very little recognition of the UK's effort. Although we were slow to get going and we lost millions through corruption, it is fair to say that most of Basra's infrastructure, such as it is, is there as a result of British money. However, the Baswaris do not appreciate that. We had no clear strategy at that point in the transitional period, so things went over to Jaish al-Mahdi militia control. In much the same way, we are losing and have lost the consent of ordinary people in Helmand province. We need to learn the lessons of Iraq, not least in respect of the structural problems of the comprehensive approach.

We also need to consider equipment and overall defence procurement. Are the wars that we have fought in Iraq and Afghanistan the wars of the foreseeable future? Is state-on-state war now less likely? Will armoured divisions ever be fighting for their lives on the plains of north Germany? Do we need to look very hard at the whole structure of our armed forces in order to win this new war?

We must also consider what friends of mine who are at a senior level in the armed forces have described to me as the failure of generalship. As one member of our foreign intelligence service put it to me, "No one gets promoted for saying things are going badly." We need to think carefully about the problem of officers providing what has become known as "politically aware military advice". It is extremely dangerous when that starts to fit with the policy narrative. That has seriously hindered us in Afghanistan, and it is a major contributor to the very difficult situation that we now face there.

The Government's narrative is that the job is nearly done in southern Iraq, but they are choosing to ignore reports of new evolving terror networks. Our troops and commanders on the ground have done a great job, but the problem throughout has been a lack of strategy coming from London. We had no serious strategy for Iraq. We had no strategy for Afghanistan—although, to be fair, I believe that the Foreign Secretary and the Defence Secretary do now "get it". There are huge lessons from Iraq that we have not learned and are not applying. We have no serious strategy for how to win the so-called war on terror, which I personally would quite like us to win.

The truth is Iraq remains a disaster for us. As well as all the lives lost through the decision made at that ranch in Texas, it stands as a huge driver of radicalisation right across the Muslim world, and it is into this mix that dozens—possibly hundreds—of Britons of Pakistani origin have been gravitating. An Army friend said a couple of months ago that they had been tracking someone speaking into a Taliban radio set in Arabic, but with a Yorkshire accent. What are we to do? I think that we should declare a new war on the drivers of radicalisation, which my hon. Friend the Member for Woodspring (Dr. Fox) spoke about. One does not deal with a cancer by bombing it from 20,000 ft and distributing it across the globe, but by making the body as healthy as one can and cutting it out. We have to refocus and stop it dispersing its cells all around the world.

We have nothing to be afraid of in a wide-ranging inquiry. It is not about criticising the Government or an individual, whether a soldier or a civilian, and it is not about criticising the Army, which has done an incredible job despite a woeful lack of strategy. It is about learning lessons for the future: lessons for Afghanistan, and lessons on how we manage relationships between Ministers and the chiefs of staff, between the armed forces and the British people, and between the UK and our ally, the US. This is far too important to ignore; that is why we need to have an inquiry as soon as we can. We must give ourselves the best possible chance of winning the long war.

2.43 pm

Jeremy Corbyn (Islington, North) (Lab): Last week saw the sixth anniversary of the parliamentary debate that took us into the war in Iraq. Those of us who took part in that debate will never forget that day. Pressures were put on Members of Parliament on both sides of the House by their Whips, who told them that the case for war was overwhelming and that they should therefore support the Government's proposals on that matter. The result was that 140 Labour MPs voted contrary to what the Government wanted, as did all the Liberal Democrats and Members from the nationalist parties, and a small number of Conservatives. Nevertheless, this Parliament voted to take us into war, and every MP who took part in that vote must bear some responsibility for the decision they took that day.

It is also important to remember that in putting the Government's case, the then Prime Minister, Tony Blair, made it very clear, among other things, that this was a war to rid Iraq of weapons of mass destruction, not a war for regime change—but the situation turned out to be somewhat different. We need to have an inquiry not only into what has happened in Iraq since the war but into all the decision making that led up to that war.

I reiterate the point that I made in an intervention on the Foreign Secretary: all the relevant papers—the Cabinet papers, the Cabinet papers that were not delivered to the Cabinet but prepared for it, the legal advice that was prepared but not given, and the legal advice that was given—must form a part of that inquiry. When the Information Commissioner ruled that those papers should be made public because that was overwhelmingly in the public interest, the Justice Secretary decided that there was an overwhelming national security case for their not being revealed.

We have been complicit in starting a war in Iraq in which well over half a million people have died, including, tragically, many service people of all countries—and the instability continues. The ramifications of this war are absolutely enormous, and the case for an inquiry is overwhelming. I welcome the fact that the Foreign Secretary appears to have conceded that there will be an inquiry at some point, but I honestly do not see what the delay is all about. There is plenty of precedent for inquiries while troops are still on deployment; many examples have been given, so I will not go through them all again. I do not understand the idea that we should wait until the last British soldier is out of Iraq, if that is what the Foreign Secretary was saying. I suspect that some kind of training element will be there for a long time, and that will be used ever more as an excuse.

The Minister for the Armed Forces (Mr. Bob Ainsworth): Let me remind my hon. Friend—I am not sure whether he was here at the time—of what the Foreign Secretary explicitly did not say. He did not say that we needed to wait until every single British soldier was out of Iraq. He said that we needed to wait until the combat operation had finished, and it is due to finish in the summer of this year.

Jeremy Corbyn: I accept that the issue is when the combat operation is finished; obviously, I hope that it finishes very soon, and that we get an inquiry as a result. However, I still do not see the necessity of delay in preparing for the inquiry.

Sir Peter Soulsby: Does my hon. Friend recall that in his introductory remarks the Foreign Secretary also explicitly did not say that the terms of reference of an inquiry would include the very matters that my hon. Friend is discussing: the events that led up to taking us into Iraq and the way in which the House and the nation were duped at that time?

Jeremy Corbyn: Absolutely. A series of dossiers and bits of information were produced for the benefit of Members of Parliament and the media. Who can forget the map produced by the *Evening Standard*, which indicated that just about everybody was under an immediate and ever-present threat of attack by Iraq? Who can ever forget that Hans Blix and Mohamed el-Baradei were withdrawn from Iraq in December 2002 and not allowed to return? Many Members of this House were present during a very interesting and lengthy meeting with Hans Blix upstairs in one of the Committee Rooms, in which he explained that he was 99 per cent. certain that all weapons of mass destruction, and all weapons with the capability of attacking other countries, had been removed and destroyed. The then Prime Minister apparently went with the 1 per cent. option; the President of France went with 99 per cent. and did not allow French participation in the invasion.

[Jeremy Corbyn]

Let me go back to the point made by the hon. Member for Gravesham (Mr. Holloway) about the antecedents of the decision making surrounding the war. We went into Afghanistan in 2001; eight years later, we are still there, apparently about to win that particular conflict. Given the current rate of progress, I suspect that in another eight years we will still be in Afghanistan about to win that conflict. We have to think of something different in that respect.

The Iraq war came out of President Bush's "axis of evil" speech of January 2002. Then there was the rather curious summit around a barbecue in Crawford, Texas, where the then Prime Minister and President Bush had a discussion about it. If minutes are kept of discussions that take place around barbecues, I would like to see at least some kind of report of what happened and what instructions were given by the then Prime Minister to the Ministry of Defence and the Foreign Office afterwards.

We then had the preparations for the deployment of forces, the build-up of forces, and the arguments in favour of Iraq's posing a threat, and we ended up with the huge degree of public disquiet. Even if Members of this House are not capable of asking questions, the fact that 1 million people turned up in Hyde park on 15 February 2003—the biggest ever demonstration in British history—should have triggered some mode of inquiry in their minds. If 1 million people are prepared to give up a day to come to London to demonstrate, they probably feel strongly about the issue, so notice should be taken of the views that they put forward. Any inquiry has to go into the background of those matters.

The effects in Iraq must also be looked into. I have been in this House long enough to remember the days in the 1980s when Britain was happily selling arms to Iraq, and a very small number of us opposed those arms sales. Indeed, we were told in the corridors that it was important to support Iraq because it was against Iran, and therefore one of our allies, and we were told that the arms sales were good for British business and British jobs. Even after Halabjah in 1988, Britain still took part in the Baghdad arms fair a year later. An awful lot of background needs to be looked into.

I am not here to defend the regime that existed in Iraq before—I was one of those privileged to be able to offer my opposition to it. However, the result of this invasion and the instability that has followed has been the deaths of hundreds of thousands of Iraqis. Some 4 million Iraqis have been forced into internal or external exile, and have had their lives ruined as a result. A large number of British soldiers have lost their lives and the grieving families continue to grieve. They ask, "Why were we sent there? What deception led to this war, and did our son or daughter die in vain because of it?"

I conclude with this thought. The other issue that I want an inquiry to deal with is the legality of the war. There were discussions at the United Nations, and a determination by the Foreign Secretary to get a second UN resolution. The second UN resolution never came, because there was so much opposition to it inside the Security Council, which would have to take that decision, and in the General Assembly. We went to war on a premise that had no legal basis, and on information that proved to be incorrect, and as a result we unleashed some horrible forces and some terrible effects on the people of Iraq. If we respect international law, we should abide by it. If we respect the decisions of the UN, we should abide by them. A war of aggression for regime change is illegal under the terms of the UN charter. The former UN Secretary-General said as much.

It is up to us, as Members of Parliament, to do two things. First, we should ensure that in future we have real war-making powers, so that Parliament makes such decisions. It should not be done by the Prime Minister using the royal prerogative on behalf of the Head of State. We got the debate in Parliament because of the enormous number of people opposed to the war. The Prime Minister felt pressurised into having that debate and wanted to drag us into that decision. Secondly, we have a duty to say, "Enough is enough. Now is the time to have an inquiry." We must have a more open inquiry than the one described in this motion, but no matter—it is moving in the right direction. I hope that we make the decision today to have an inquiry, not in order to change what happened—we cannot do that—but at least to understand what happened. We need to understand the horrors that have come out of this war and try, above all else, to prevent the same thing from happening to some future Parliament and some other country.

2.54 pm

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I will not detain the House for long. I would like to deal with why we need an inquiry into the Iraq war, and why the issue is so important. As we know, and has been said by the hon. Member for Islington, North (Jeremy Corbyn) and many others, the war was based on a lie, propaganda and hype. Perhaps people watching outside this Chamber have bought into the idea that politicians lie perpetually. I know, and we know, that that is not so. There can be arguments on emphasis and shades of grey, but since I have come here in 2005, there have not been any big whopping factual lies. The claim that Iraq had weapons of mass destruction that could reach us in 45 minutes was a big whopping factual lie. It was the lie on which the propaganda and hype was based. It was the first time that the UK went to war on the grounds of dodgy, unsound intelligence—and I hope that it will be the last. That alone is enough to justify an inquiry: for a state of 60 million people to be so utterly misled should be enough to justify an inquiry.

On 18 March 2003, the Prime Minister gave a speech to goad the country to war—that is also enough to justify an inquiry. I encourage Members to look back at that speech in *Hansard*, column 761, to see the linguistic gymnastics employed. The speech becomes more absurd in the reading with the passage of time. The Prime Minister made mention of "unreasonable vetoes", which was a real Blair classic of true linguistic gymnastics. He was, of course, referring to France, which had opposed the war at the UN Security Council. In his actions and in his words, Blair made France right and he made the UK wrong.

On 18 March 2003, the Prime Minister stood at that Dispatch Box—I saw it on television; I was not a Member—with his macho, starry-eyed posturing, challenging the House of Commons to stand down British troops and turn back. The fact was that he had already marched them up to the top of the hill, and he was relying on the base, gut instincts that many in this House unfortunately had in order to carry on. People

voted for war, feeling that they were already too far in. Of course, people should not have thought with their guts. Many people got shot in their guts as a result.

One of the reasons we should have an inquiry is that this House regularly pays homage to those who have had their lives damaged or have lost relatives in this war. Today I was given a letter by the military families who have lost people in the war. They want an inquiry, and I am grateful to Rose Gentle, Reg Keys and Chris Nineham for a copy of their letter. If the families want an inquiry, surely that should be enough for the Government, who regularly pay homage at the Dispatch Box to the families and their loved ones who have been lost in this war. In their letter to the Prime Minister they say:

"Our sons believed that the conflict was to neutralise the WMD threat."

That belief was fed by grafting—playing on the innate jingoism of some journalists and newspapers, and some Members of this House, who swallowed the 45 minutes spin hook, line and sinker. The 45 minutes headlines in the newspapers went unchallenged by the Government, and that is significant. I would wager that had the headlines said the opposite—that the Government were lying about 45 minutes—they would have indignantly challenged and bullied. Their complicity with headlines about the 45 minutes claim shows exactly the game that they were playing.

This war, as has been said by others, has taken the lives of 150,000 people directly, and according to some estimates its consequences might have led to the deaths of another 600,000. The dead and injured, and their families, should be honoured in this House by an inquiry that will answer the fundamental question—why? I was not in the House at the time, but my answer to that question is that it was an odd, sycophantic desire on the part of Tony Blair to appease the discredited former US President George Bush. In my view, it is as simple as that. That is also in line with the intervention made by the hon. Member for Louth and Horncastle (Sir Peter Tapsell) on his feelings about what happened at the US ranch, where the two men connived for war.

The case for war did not last long. Four months after it started, the UK's fig leaf of an excuse was starting to fall apart. After Blair had spoken to Congress, my right hon. Friend the Member for Banff and Buchan (Mr. Salmond) said:

"Inch by inch, Tony Blair is moving away from the ground that he stood on when he dragged an unwilling country into war.

The Government should be holding an independent…inquiry into…how the country came to be misled about Iraq's arms capability."

That was six years ago. The Government have been ducking and diving, dodging and weaving, for six years over an inquiry into the Iraq war. Five years ago, as was mentioned earlier, Australia held such an independent inquiry, which criticised their own Government, but criticised other allied Governments far more greatly. At the time that the former Prime Minister, Tony Blair, was telling the House that we should not hold an inquiry, he went into a broom cupboard for a video conference with Congress in the Baker-Hamilton inquiry.

I have mentioned lives, which are important, but in these credit crunch times I would also like to consider the financial cost of the war. Last year, the cost of military operations in Iraq was £1.5 billion, which equates to £4 million a day. Approximately £6.5 billion has been spent since the war began, and I often wonder for what else that money could have paid in health, education and infrastructure, rather than being spent on destroying health, education and infrastructure. If ever there were a case for turning swords into ploughshares, the Iraq debacle of the Labour Government of 2003 makes it.

We need an inquiry to stamp out such behaviour among world leaders and aspiring world leaders. Let us just imagine, as the superpowers of China and India grow, their feeling that they could interfere in European matters the way that we felt we could interfere in middle eastern matters in the case of Iraq. What future do we bequeath our descendants if we leave them a world in which such behaviour on our doorstep went unpunished, or at least uninvestigated?

I draw hon. Members' attention to an extract from, of all people, a former Ministry of Defence permanent secretary, Sir Michael Quinlan, who said of the former Prime Minister:

"He exerted or connived… to mould legal advice to his preference and failed to disclose fully… even that moulded advice; and… so arranged the working of the Cabinet that colleagues had no timely or systematic opportunity to consider the merits of his policy in an informed manner."

The hon. Member for Carmarthen, East and Dinefwr (Adam Price) first drew that to the House's attention in the debate that Plaid Cymru and the SNP led on 31 October 2006. It was damning then and it remains so; the passage of time does not diminish it. The very least that the families and the dead deserve from the House is a full inquiry into the war in Iraq. I say, therefore, get it going soon.

3.1 pm

Mr. Gordon Prentice (Pendle) (Lab): My friend the Member for Islington, North (Jeremy Corbyn) talked about pressure on the day, way back in March 2003. At that time, the Prime Minister was having one-to-one meetings with Labour Members he thought could be persuaded to support him. After the vote, a colleague who had voted for the war said to me in the Tearoom that he thought he had made the biggest mistake of his life.

My friend the Member for Cannock Chase (Dr. Wright) invited the Conservatives to show some humility about their role, because without them we would never have gone to war. Their fingerprints are all over the decision. Only six Conservatives voted against the war, whereas 140 Labour Members voted against it, as well as, creditably, the Liberals and the other minor parties. That is where we are. I have read the Conservative motion two or three times. It contains nothing with which I disagree, so I will vote with the Conservatives to support it.

Why do we need an inquiry? The answer is self-evident. The country was comprehensively misled, and we have been misled ever since. "Lessons on Iraq", the Defence Committee's report in 2004, stated that the

"MoD has failed to provide us with certain documents… and has demonstrated… less co-operation and openness than we have the right to expect as a select committee of the House of Commons."

The Foreign Affairs Committee stated:

"Powers to send for papers, persons and records are, in practice, unenforceable in relation to the Executive"

[Mr. Gordon Prentice]

when the Executive do not want to co-operate. Butler had a narrow remit. The report spoke of the deficiencies of Cabinet Government, saying that Cabinet Ministers were spectators rather than active participants. It was as though Cabinet was a vegetable patch.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Has not Lord Butler's report done an important thing, which has enabled the House to set the Prime Minister's public statements against the private Joint Intelligence Committee information that he received? It is clear that the Prime Minister omitted all the qualifications and provisos in the JIC material in his public statements.

Mr. Prentice: As I said, Butler had a narrow remit and what has subsequently come out tells a different story from what Butler said at the time.

The Hutton inquiry displayed the hidden inner wiring of the British Government, but it failed to take evidence under oath, as my friend the Member for Thurrock (Andrew Mackinlay) said earlier. When Lord Hutton appeared before the Select Committee on which I served, I asked him why he did not take evidence under oath. The Prime Minister was, famously, called before him. Lord Hutton replied that he did not think it was necessary. I believe that it is, and that the new inquiry needs to take evidence on oath to get to the truth.

There has been a cascade of memoirs. Of course, memories are beginning to fade, but some memoirs have been blocked. Sir Jeremy Greenstock, who was our man in Baghdad in 2003-04 and served in the United Nations five years previously, right through the run-up to the war in Iraq, has written a book called "The Cost of War". It has still not been published. When he appeared before the Committee in January 2006, he told us that his memoirs were

"in the fridge not the freezer."

They are in the freezer and should be defrosted. Last week, the Justice Secretary, a former Foreign Secretary, told us that the minutes of the critical Cabinet meetings could not be published, although he went on to say that they would be released to any inquiry that was set up.

We need an inquiry. My friend the Member for Halton (Derek Twigg), with all his experience as a former Armed Forces Minister, said that in his travels around the world he did not meet military people who were calling for an inquiry. However, the military top brass are calling for one. Lord Bramhall, no less, said that the former Prime Minister, Tony Blair, failed properly to consult the chiefs of staff or his Cabinet colleagues before going to war. It is perfectly proper to have a senior military person on the commission of inquiry, as happened a lifetime and more ago in the inquiry into what happened in the Dardanelles. Lord Craig, former Air Marshal of the RAF, supports an inquiry. He said:

"It is very timely to have an inquiry before memories fade."

Memories do fade, as the Member for Richmond, Yorks (Mr. Hague) said. With every passing year, they dim. My friend the Member for Sunderland, South (Mr. Mullin) has just published a book, "A View from the Foothills", in which he recounts discussions we had with Tony Blair way back in 2002-03. I remember them, but one starts to forget the expression on a person's face, the people who spoke and those who chose to stay silent and so on. Those things are all part of the story. General Sir Mike Jackson wants an inquiry now, not after all the soldiers have come back from Iraq.

We need an inquiry to establish the facts. We need to learn from what happened, and, most important, we need to ensure that it does not happen again. We must also rebuild public confidence. My friend the Member for Cannock Chase referred to the Public Administration Committee's various reports on inquiries. Most recently, it produced a report recommending that Parliament set up its own parliamentary commission of inquiry.

Why do we have to wait on the Executive to act? We are told that Parliament is supreme. Why is it beyond the wit of MPs in all parts of the House who were against the war to come together and table a motion to force the Government to bring about such an inquiry? When Lord Justice Scott held his inquiry into arms for Iraq, which took four years, even he said that if Select Committees had had all the information that he had,

"A select committee might have been a better form for the Inquiry to have taken."

However, as everyone knows, Select Committees have their flaws. The answer is a properly constituted parliamentary commission of inquiry.

It is very important to take evidence on oath. The inquiry should meet in public, but with provision to meet in private if sensitive material needs to be considered. Civil servants and diplomats should be invited to give evidence when they feel they have something relevant to say. We had a diplomat and a civil servant before the Public Administration Committee last week. Brian Jones was our top man for chemical and biological warfare. He told us that before the dossiers were published, he had huge reservations about the claims that there were weapons of mass destruction in Iraq, and he was the man who should have known. He wrote to the deputy chief director of intelligence to register his misgivings. He thought that there very probably would be no weapons of mass destruction.

We also heard persuasive evidence from a former diplomat who resigned from the Foreign Office over the decision to go to war in Iraq. He was a man who loved his job and wanted to be a diplomat. He said that in the run-up to war

"there was such a momentum towards war, such urgency about it, that anyone who put their hand up at that point would have been crushed."

Mr. MacNeil: Will the hon. Gentleman give way?

Mr. Prentice: I do not have the time, unfortunately.

That diplomat told us:

"I had read the intelligence on Iraq for four and a half years, been part of the Joint Intelligence Committee process, had taken part in US/UK bilaterals every quarter for four and a half years, and during that time the assessment of Iraq and the assessment of our intelligence on Iraq was very clear. It was that there was no significant threat from Iraq. From WMD, or from anything else."

We were comprehensively led up the garden path and we need an inquiry. I do not know why the Government want to divide the House on the issue, because we all want an inquiry. If the question is one of timing, the combat troops will be out of Iraq in a few months' time. Why can the Government not just break the habit of a lifetime and support what the Conservatives are proposing?

3.13 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure to participate in this important debate. Let me begin with a quotation from page 81 of "State of Denial", a book by Bob Woodward, famed for Watergate:

"On November 21, the day before Thanksgiving, 71 days after the 9/11 attacks, Bush asked Rumsfeld to start updating the war plan for Iraq.

'Let's get started on this,' Bush recalled saying that day. 'And get Tommy Franks'"—

General Franks, who is in charge of the United States Central Command—

"'looking at what it would take to protect America by removing Saddam Hussein if we have to.'"

That was in November 2001. The hon. Member for Pendle (Mr. Prentice) made an important point. Memories may be fading, but memoirs are slowly coming out and more and more information is leaking out, so we are slowly getting more of the truth about what happened leading up to the war in 2003 and after.

Let me make my position clear. I was not in favour of an invasion at that juncture. I am a military person by background and I did not feel there was any evidence that we were under threat. That did not necessarily mean that we would not invade at a later juncture, but with everything that was in place at that point, I did not feel there was the evidence to say that an invasion should happen then.

Mr. Holloway: Does my hon. Friend think it was reasonable for people in all parts of the House to trust the assertion of the then Prime Minister that the war was necessary?

Mr. Ellwood: My hon. Friend makes an important point, because that assertion has now been questioned. Any Prime Minister now coming to the House saying, "We must now go to war," will certainly be questioned in more detail. It is all the more clear why we need an inquiry into Iraq. What were the decisions? What evidence was the then Prime Minister seeing that made him come to the House and say, "You must follow me and we must send our armed forces to Iraq"?

Lynne Jones (Birmingham, Selly Oak) (Lab): I never got an answer from the then Prime Minister to my question about why suddenly, in 2003, Saddam Hussein was considered a threat, whereas in all the years leading up to President Bush's "Axis of evil" speech in 1997, 1998 and 1999, there was no mention of Saddam Hussein being a threat.

Mr. Ellwood: The hon. Lady's views are now on the record.

It was interesting to hear a former Defence Minister say that, even with everything he now knew, he still believed that war was the right decision, because Saddam Hussein was a bad man. Yes, we knew he was a bad man, but I thought that regime change was in fact illegal.

The second document that I wish to bring to the House's attention was released today and is called "Pursue, Prevent, Protect, Prepare: The United Kingdom's Strategy for Countering International Terrorism". Perhaps "Plan" should be added—that is, we should plan for what to do if we invade a Muslim country, because if we do not have a plan when we invade, we leave a vacuum and extremists take over. That is exactly what has happened in Iraq and, unfortunately, something very similar is taking place in Afghanistan.

There are many questions that need to be answered. First, there are questions about going to war, weapons of mass destruction, intelligence, claims about 45 minutes, what Alastair Campbell's role was and the absence of a second resolution. The resolution that we voted on in the House was 10 years old. How can we allow our military to go to war on the back of a resolution that is 10 years old?

That aside, it may be that Parliament in fact votes in favour of war. The more important question then is: how do we conduct ourselves in the aftermath of that attack? That is where we fundamentally failed our military. We went into Iraq—I pay tribute to 7 Armoured Brigade, which did a fantastic job in bringing Basra to peace—the dust then settled and our armed forces looked over their shoulders and said, "What next?" I believe that Tony Blair would probably still be in office had there been a proper plan and had we been able to move Basra forward and make it a safe and prosperous place.

The absence of a plan meant that nothing happened, and six years later we were still there, trying to work out what to do. That is not the way to conduct counter-insurgency; it is not even the way to get rid of a dictator, but it is the way the Government proved there was no planning. That is why we are calling so vehemently for an inquiry into Iraq. We had no plan; there was no strategy and there was no idea. There were no efforts to harness the euphoria of the fall of Saddam Hussein and to sow the seeds of governance. Without a plan, nothing happens and we turn ourselves from liberators into occupiers.

I ask the Minister: where was the army of civil servants, the linguists, the engineers and the planners? There were none. Where was the post-conflict construction plan that would lead Iraq into prosperity? There was none. I am afraid that I place a lot of the blame not on the military, but on another Department—the Department for International Development. Where was the right hon. Member for Birmingham, Ladywood (Clare Short)? I understand that she sent a memo round her Department on 23 March 2003, the day of the invasion, saying, "We're not sure if this war is actually legal. Do nothing. Do not get involved." The Department therefore sat on its hands for two months until eventually she resigned and a new person was put in, at which point the Department woke up and said, "My God, we should get involved here."

That is where we let down our military. It meant its job got harder and harder, week after week, month after month and year after year. Looting turned into the development of militias, people grouped together to try to salvage some sort of livelihood and we became the problem. The thing that united these militias as we went in and around Basra and the palace was the fact that they all had a pop at our military, showing how we were regarded—as actual occupiers by that time. I am thus astonished that the Defence Secretary had the audacity to come to this House on 14 January this year and state:

"I am proud to say that we are at the point of completing the UK mission… our forces can return home with their heads held high."—[*Official Report*, 14 January 2009; Vol. 486, c. 244.]

[Mr. Ellwood]

How far from the truth is it possible to be? I believe that not since Suez have we had such cause to hang our heads in shame and also to scratch our heads over the political failure—not a military one. It was a political failure, in which we cut troop numbers too fast, reconstructed too slowly and eventually lost control completely.

I am not saying that war was avoidable, but I am saying that there was no planning for the peace. The truth came out when Colin Powell admitted in his Adlai Stevenson moment that when he went to the United Nations on 5 February to explain why the invasion was justified, it was one of the lowest points in his career—he had to defend the indefensible at that point.

The atrocities committed by Saddam Hussein might well have meant an eventual invasion, but as a military person, I say to the House that there are many ways of getting rid of a tyrant other than a full invasion. If we choose a full invasion, we should make sure that we have a second wave of reconstruction and so forth backing up the Army to take advantage of that invasion. The 7 Armoured Brigade went in there, looked over their shoulders and said, "Where is everybody else? My God, we're stuck here on our own." I am afraid that that is exactly what is happening in Afghanistan.

I am grateful that Richard Holbrooke, now a responsible special adviser on Afghanistan, is about to announce a civilian surge, finally to catch up with the military one and help the people on the ground. It is important to win over hearts and minds on the ground so that people do not turn against us. I appeal to the Government to listen and relieve the military of the blame being placed on it for the length of time it has taken for us to get to where we are today.

I question whether where we are today is where the Government wanted us to be six years ago. Did we really want to be handing Iraq over to the United States armed forces rather than to the Iraqis? That cannot be the objective that we set six years ago—absolutely not. This word "overwatch" is one that I never heard during my long military career. This is another example of the Foreign Secretary proving how out of touch he is with what is actually happening on the ground. I believe that General Andy Salmon is in charge now and he is doing a fantastic job: he is doing a bit of training with the Iraqis, but the emphasis is on going home. The forces have consolidated themselves at the airport and they are doing absolutely nothing else. They are doing no patrolling whatever.

I hope that the Government will wake up and not wait—this is what I believe their tactics to be—until we are so close to a general election before allowing a full inquiry that none of the current Ministers will be in office or probably even in Parliament to hear the results of such an important inquiry.

The 7 Armoured Brigade through to my battalion—the 2nd Battalion The Rifles—had to retreat from Basra palace to Basra airport with their tails between their legs. That is not the way our military forces should be leaving Iraq. It came to the point when the Iraqi Prime Minister Maliki actually said that Basra was being left to the mercy of the militiamen, because we were not providing the necessary assets for the military to do its job properly and a civilian force to back it up.

I conclude by stating my belief that in our long history of military engagement, Iraq was certainly not our finest hour. That is absolutely no fault of our military; it is wholly the fault of those who work and operate in Whitehall, who failed to plan for the peace. Consequently, the UK's reputation as a reliable and competent country, willing to step forward when others are unable to do so, has actually suffered.

An inquiry into the war in Iraq will show that the way we fought the war was not the fault of our military but due to the incompetence of this Government in managing the peace. That is why the Government continue to find excuses to delay this important review of what went wrong. I believe there are many lessons to be learned and I am horrified to see that we are repeating the same mistakes in Afghanistan. Until we wake up to that, I am afraid that we are going to be asking questions about what went wrong in Afghanistan in five years' time. That is going to be a horrible place to be.

Several hon. Members *rose*—

Madam Deputy Speaker (Sylvia Heal): Order. I inform hon. Members that the winding-up speeches will commence at 3.40 pm, but in the remaining minutes, Members will still be able to catch my eye.

3.25 pm

Paul Flynn (Newport, West) (Lab): We could not have stopped the war in Iraq, as it was predetermined, but what we could and should have done is stopped Britain's involvement in it. I believe that we, as Members of Parliament, should now confront that dreadful mistaken decision.

The most insistent voices calling for an inquiry are those of the loved ones of the fallen. They want to believe that their loved ones died in a noble cause. Many of them are haunted by the possibility that their loved ones died in vain.

Perhaps the most appropriate way that we can face up to the results of our decisions would be now to recall and honour the names of the fallen: John Cecil, Llywelyn Evans, Philip Stuart Guy, Sholjo Hedenskog, Les Hehir, Ian Seymour, Mark Stratford, Jason Ward, Philip Green, Antony King, Marc Lawrence, Philip West, James Williams, Andrew Wilson, Kevin Barry, David Rhys Williams, Luke Allsopp, Simon Cullingworth, Steven Roberts, Barry Stephen, Stephen Allbutt, David Clarke, Matty Hull, Steve Ballard, Christopher Maddison, Shaun Brierly, Chris Muir, Alexander Tweedie, Karl Shearer, Kelan Turrington, Ian Malone, Christopher Muzvuru, James McCue, Andrew Kelly, Duncan Pritchard, David Shepherd, Leonard Harvey, Simon Hamilton-Jewell, Russell Aston, Paul Long, Simon Miller, Benjamin Hyde, Thomas Keys, James Linton, Jason Smith, David Jones, Matthew Titchener, Colin Wall, Dewi Pritchard, Russell Beeston, John Nightingale, Ian Plank, Ryan Thomas, James Stenner, Norman Patterson, Andrew Craw, Vincent Windsor, Robert Thomson, Richard Ivell, Gordon Gentle, Kristian Gover, Christopher Rayment; Lee O'Callaghan, Marc Ferns, Paul Thomas, Stephen Jones, Marc Taylor, David Lawrence, Kevin McHale, Denise Michelle Rose, Stuart Gray, Paul Lowe, Scott McArdle, Pita Tukutukuwaqa, Paul Connolly, Patrick Marshall, David Stead, Andrew Smith, Paul Pardoel, Gary Nicholson, Richard Brown, Mark Gibson, Robert O'Connor, David Williams, Steven

Jones, Mark Dobson, Anthony John Wakefield, Alan Brackenbury, Paul William Didsbury, Richard Shearer, Leon Spicer, Phillip Hewett, Donal Anthony Meade, Stephen Robert Manning, Matthew Bacon, Ken Masters, Chris Hickey, John Jones, Allan Douglas, Gordon Alexander Pritchard, Carl Smith, Richard Holmes, Lee Ellis, Richard Palmer, John Coxen, Darren Chapman, David Dobson, Sarah-Jayne Mulvihill, Paul Collins, Joseva Lewaicei, Adam Morris, Tom Mildinhall, Paul Farrelly, John Johnston Cosby, Matthew Cornish, Samuela Vanua, Stephen Robert Wright, Lee Thornton, Dennis Brady, Tom Tanswell, Jamie Lee Hancock, Lee Hopkins, Sharron Elliott, Ben Nowak, Jason Hylton, Jonathan Hollingsworth, Graham Hesketh, Wayne Rees, Alex Green, Michael Tench, Jonathan Carlos Bracho-Cooke, Luke Daniel Simpson, Daniel Lee Coffey, Johnathon Dany Wysoczan, Kingsman Wilson, Aaron Lincoln, Joanna Yorke Dyer, Kris O'Neill, Eleanor Dlugosz, Adam James Smith, M.L. Powell, Mark J. McLaren, Ben Leaning, Kristen Turton, Alan Joseph Jones, Paul Donnachie, Nick Bateson, Kevin Thompson, Jeremy Brookes, Rodney Wilson, James Cartwright, Paul Harding, John Rigby, Paul Joszko, Scott Kennedy, James Kerr, Edward Vakabua, Ryan Francis, Christopher Read, Matthew Caulwell, Christopher Dunsmore, Peter McFerran, Timothy Darren Flowers, Steve Edwards, Craig Barber, Martin Beard, Chris Casey, Kirk Redpath, Eddie Collins, Mark Stansfield, Sarah Holmes, Lee Fitzsimmons, John Battersby, Duane Barwood, David Kenneth Wilson, Lee Churcher and Ryan Wrathall.

May they rest in peace.

3.32 pm

John Barrett (Edinburgh, West) (LD): One other person who has sadly passed away since the time of the decision to go to war and who would have made an eloquent contribution to the debate today is the late Foreign Secretary, Robin Cook. If he is looking down on us, he will be adding his voice to the argument for an inquiry on Iraq. Every speaker today has agreed that there ought to be an inquiry. The only question is exactly when it should be held. There have also been minor concerns expressed over the remit, but every single speaker has agreed that there should be an inquiry. I hope that the Government will take that on board.

When we listened to the Prime Minister at the time when he was making arguments that we should go to war, he always sounded as if he knew something that we did not. His answer to many questions was, "Trust me." We heard at the time that Iraq had weapons of mass destruction and that 45 minutes' warning was all that it would take before they could be launched.

There was a drive toward war in the media in the USA, by the Prime Minister, Tony Blair, and, to a large degree, in the House, but many questions were unanswered. There was no United Nations mandate. The weapons inspector, Dr. Hans Blix, was asking for more time to conclude his search for those elusive weapons of mass destruction. When a million people marched in the streets, I was proud to be one of them, but in all honesty, at that time I did not believe that we would be listened to. We were not.

The justification for going to war changed from Iraq's weapons of mass destruction to ridding the world of a tyrant and restoring democracy, but many in this place remember the Government saying that Saddam Hussein could stay in power if he gave up his weapons of mass destruction.

What we need to do now, however, is not just look back but find out the truth of what happened—find out what took us into that nightmare—so that we never repeat the mistake. Time may be a healer, but there was a long period of time during which if either President Bush or the Prime Minister had found their nations under threat and had had to say to the public, or the House of Commons, "We are in real danger and we need to go to war again", people would not have believed them. They had lost the trust of their people that they would perform the most basic function of a Government: to keep their country safe. At the heart of the need for an inquiry into the war in Iraq is the need for an examination of the process whereby this country went to war in the first instance.

We have heard today the names of 179 UK soldiers; 4,260 US personnel have also lost their lives, along with a number of civilians. When I asked the Prime Minister—the current Prime Minister—at Prime Minister's Question Time how many civilians had died, he said that it was not his job to count them. As has already been said, the financial cost has been estimated at up to £8 billion, and the United States has spent an estimated $3 trillion on this folly. The risks for the future are well known: the world is less safe now than it has ever been, and the middle east is a source of more terrorists and terrorism training.

The decision to invade Iraq ranks as one of the worst foreign policy errors in recent memory. Its impact on Britain—on our international standing and domestic security—has been more significant than that of any other military act since the second world war. That being the case, I should have thought that the need for a full inquiry was obvious. However, just as we were spun into the war in Iraq, it seems that we are now being spun into a reason for delaying the argument.

I suspect that both the Government and the Conservative party hope that the inquiry will absolve them of guilt and pin the guilt on the former Prime Minister Tony Blair, who will rightly be judged harshly by history for his role in the decision. However, members of the Cabinet who supported him and members of the Conservative party who backed him in the Lobby must all shoulder their share of the responsibility. While it is important to establish who did what, we do not need the inquiry just to apportion blame or responsibility; we need it to ensure that we learn lessons from the disastrous decisions that were made in the lead-up to the conflict. We committed tens of thousands of troops to the campaign, and 179 were killed. Many more were seriously injured. Thanks to the accounts of former officials and soldiers, we know that planning for a post-invasion Iraq was almost non-existent.

I have heard it argued that to hold an inquiry while our troops are stationed in Iraq would undermine our soldiers and the sacrifices that they make. The far greater tragedy would be to leave Iraq with nothing learnt from the experience, and their sacrifices. It is for that reason that an inquiry today is so important.

3.37 pm

Lynne Jones (Birmingham, Selly Oak) (Lab): I am aware of the time constraint, so I shall be very brief.

[Lynne Jones]

I spoke in the debate on the inquiry a year ago and gave my reasons for feeling that the Butler inquiry and the Intelligence and Security Committee inquiries were completely inadequate, so I shall not rehearse those arguments. What I want to do today is draw the House's attention to an allegation by Ron Suskind, a United States investigative author, in his book "The Way of the World".

Mr. Suskind's information is based on conversations that he had with none other than Sir Richard Dearlove, head of the Joint Intelligence Committee, and his deputy Nigel Inkster. From those conversations, Mr. Suskind learned that one of the United Kingdom's top agents, Michael Shipster, actually met—in Amman in 2003, just before the war—Tahir Jalil Habbush, who was Saddam Hussein's head of intelligence. Apparently, Mr. Habbush was a well-established source of intelligence. I should be interested to know what has happened to him, because he is not one of the members of Saddam Hussein's former regime who have been apprehended or brought to justice in any way. In fact, it has been suggested that he has been protected by western intelligence sources.

Mr. Habbush told Michael Shipster that Saddam Hussein had no weapons of mass destruction, and that far from seeking to conceal the presence of such weapons, he actually wanted to conceal their absence because he was more concerned about a possible invasion from Iran than about an invasion from the United States. The sources of that information—Richard Dearlove and Nigel Inkster—have queried the exact recollection of those conversations, but they have not denied the substance of the allegation that one of our top agents obtained information that Saddam Hussein had no weapons of mass destruction. It would appear that that intelligence was ignored, and we also know from other sources—such as Brian Jones, the former branch head in the Defence Intelligence Staff, and more recently, as mentioned by my hon. Friend the Member for Pendle (Mr. Prentice), Carne Ross, who was First Secretary at the United Nations for the Foreign Office until 2004—that there are lots of facts in the run-up to the Iraq war that have yet to come to light.

We should be grateful to Ron Suskind for beginning to shine a light on some of the sources of intelligence that were not drawn to the attention of the House, and were not mentioned in the Butler report or by the Intelligence and Security Committee. I wrote to the Chair of that Committee at the beginning of this month asking for an investigation into this evidence. I have received an acknowledgement. I spoke to one of the assistant Clerks today, who told me that I will receive a reply and gave various reasons why I have not received more than an acknowledgement so far despite the fact that other people have written to the Committee drawing attention to this information.

It is clear that there were people in the intelligence community who knew the truth: that Saddam Hussein did not possess weapons of mass destruction. Somehow, their views were suppressed and we were given a completely false view of what the intelligence said. For that reason, I believe we need a full inquiry under the kind of conditions that my hon. Friend the Member for Pendle outlined, with witnesses required to give evidence on oath.

3.42 pm

Dr. Liam Fox (Woodspring) (Con): Whether to send armed forces into combat is one of the most important and difficult decisions faced by any Government—and in the case of Iraq, by Parliament. Whether Members think the decision to go to war in Iraq was right or wrong, members of our armed forces fought, and in some cases died, believing that what they were doing was a just and noble cause. We must remain very sensitive to that, and to the feelings of their families, as we discuss these issues, and I think today's debate has been conducted very much in those terms. Whatever else is in dispute today, the bravery and commitment of our armed forces is not.

In announcing in his opening speech that an inquiry will be undertaken as soon as practicable after 31 July, the Foreign Secretary admitted that the Government are now being dragged incrementally and unavoidably towards the inevitable will of the House, but the Government are doing this with the least possible grace and in a way that brings the least credit to themselves and reflects least well on the institution of Government. The House will not be sitting on 31 July, so will this inquiry be set up without an announcement to Parliament and without Members having the ability to question the Government, or will we have to wait until October, with the utterly unnecessary delay that that will entail? Tonight, Members have the chance to bring forward what now appears to be the Government's own timetable, and to avoid an unjustifiable delay on this issue.

A number of matters will need to be considered, among them the scope and remit of the inquiry, which has been widely debated by Members today. If public and parliamentary concerns are to be met, there must be the fullest remit, including the run-up to the war, the conduct of the war, and the preparation for, and conduct of, the post-conflict period. As my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) said, if these matters have not been addressed when we reach the next general election, they will be subsequently.

I agree with much of what the hon. Member for Kingston and Surbiton (Mr. Davey) said in his speech, but I profoundly disagree on one point. He said that he did not wish to see any inquiry into the military. I understand what he meant by that, but I think the House and the country would want to know the military advice that was given and whether it was accepted—and, indeed, whether there was at any point any political interference in decisions made by the military. If that was what he meant, that is entirely fine. I hope that this would be within the scope of an inquiry, because not to consider it would leave a major piece of the jigsaw missing and a major piece of understanding lost to history.

There are two main reasons why we need to go ahead with this inquiry, the first of which relates to holding the Executive to account. We have heard a number of passionate speeches from hon. Members on both sides of the House, and one of the main charges that has been repeatedly made in this debate is that Tony Blair, as Prime Minister of the United Kingdom, deliberately misled the British people in order to take them into a war that they otherwise would not have supported—there can be no more serious charge. I walked into the Division Lobby after Tony Blair that night and said to him, "That was a very impressive speech. I hope you are

right." He must also be given every opportunity to be vindicated by an inquiry. Although many people in this country still find it hard to believe that a British Prime Minister would ever behave in the way that has been suggested, we need to restore trust and integrity in our system. Seldom in this House, and certainly never in my 17 years here, has the integrity of a Prime Minister been attacked in the way that it has been today, and it is in everyone's interest to have this cleared up. Several hon. Members, not all of whom are in their places, raised the issue of whether Parliament would have the chance to set up an inquiry of its own—well, in just a few minutes, that is exactly what this House of Commons will have the chance to do.

The other main reason we want an inquiry is to learn the lessons. The Foreign Secretary was right to say that we cannot draw a simple parallel between Iraq and Afghanistan, but that does not mean that there is not a huge read-across. On time scales, what have we learned from our experience in Iraq that we can apply to Afghanistan about the speed with which the reconstruction can take place? Iraq was about reconstruction, but Afghanistan is about construction. If Jeffersonian democracy cannot be applied to Iraq successfully in a decade, how long will this take in Afghahistan? Surely it is in everybody's interests for us to be very clear about that.

What about the reconstruction plans? Was there indeed institutional resistance from the Department for International Development because of the then Secretary of State's attitudes at that time? In a debate in this House, my hon. Friend the Member for Meriden (Mrs. Spelman) said that

"in a written answer on 15 October last year,"—

2002—

"the Secretary of State told me that she was not actively discussing a humanitarian strategy for Iraq with the UN, the US or the European Union.

It is surely not acceptable for the Department for International Development to adopt an ostrich stance, sticking its head in the sand and hoping that war will never happen. There are leaked UN reports of UN contingency planning, but at the end of last month still no funds had been made available for even the basic preparations to begin."—[*Official Report*, 30 January 2003; Vol. 398, c. 1047.]

What have we learned about insurgency and counter-insurgency, and how we deal with them? My hon. Friend the Member for Gravesham (Mr. Holloway) made a passionate speech about how we went into Basra believing that we knew what we were doing about counter-insurgency. We believed that our experience from Northern Ireland could be directly translated into the south of Iraq, but we had some big lessons to learn. How exactly will we take those lessons and transfer them into Afghanistan, so that we do not make similar mistakes again? We cannot afford the time to wait—the delay—for such an inquiry to take place, because these things are already happening in real time. We need to ensure that those lessons are learned, for the well-being of our armed forces and of the people in Afghanistan.

We need to learn these lessons while memories are fresh. The hon. Member for Pendle (Mr. Prentice) and my hon. Friend the Member for Billericay (Mr. Baron) made the point graphically that this is not just about the facts on paper, but about the recollections, the pressure, the tone of conversations and the whisperings in corridors about when people knew what—all those things are extremely important.

We also need to see what lessons we have learned on procurement and the equipment for our armed forces. Many bereaved families who lost loved ones in Iraq will expect the inquiry to address this key issue: why did the Government hold back on authorising the acquisition of sufficient equipment to protect our soldiers? On 9 December 2003, the National Audit Office said:

"Some key shortfalls and lessons were, however, identified. Many arose because of a combination of not having enough operational stock on shelves, enough time to make good the shortfalls and difficulties in ensuring supplies were delivered."

A report in *The Guardian* on 22 January 2004 about Sir Kevin Tebbit's evidence said that the Government did not order crucial equipment for British troops because of

"the fear among ministers that a decision to order 'urgent' operational requirements would provoke anti-war Labour MPs."

To put the matter in a more personal context, in the inquiry into the circumstances that led to the death of Sergeant Roberts, the coroner, Andrew Walker, said:

"Sergeant Roberts' death was the result of delay and serious failings in the acquisition and support chain that resulted in a significant shortage within his fighting unit of Enhanced Combat Body Armour and none being available for him to wear."

What lessons do we still need to learn? Why have we had this unnecessary delay when we still have troops fighting in Afghanistan and those lessons may be literally vital for them?

The Government today have not even pretended to hide behind their previous discredited excuses for delay. It is now a simple, nakedly political delay, designed to prevent the truth from emerging before the general election. The Government should now bow to the inevitable. This House and the country need to learn from what went wrong so that we do not repeat those mistakes in the future. For the sake of the sacrifices already made and the wellbeing of our military and civilians alike, we should have no further delay for blatantly party political reasons. Members on both sides of the House must ask themselves whether they are willing to tolerate naked partisan prevarication or whether they want the truth to emerge.

3.51 pm

The Minister for the Armed Forces (Mr. Bob Ainsworth): My hon. Friend the Member for Newport, West (Paul Flynn), with whom I often disagree, brought home the gravity of the decisions with which we were all confronted back in 2003 by the simple act of reading out the names this afternoon of all of our people who died in the operation in Iraq. Acknowledging that gravity is something that unites the House.

A couple of other things also unite the House. The first is the need for a full investigation of our involvement in Iraq. That should be comprehensive and should look at the reasons leading up to the decision to invade Iraq. It should also look at the aftermath and the full agenda that applied after the initial invasion in order to try to capture all the lessons that we owe it to people—most of all our armed forces—to learn for the future. No hon. Member would disagree with that.

We can also unite on the ground that we need to be able to say that those people did not die in vain. I do not believe that they did die in vain. I firmly believe that our armed forces have displayed a phenomenal capability and an indomitable spirit in Iraq, and that they have achieved massively. I have heard only one hon. Member

[Mr. Bob Ainsworth]

this afternoon question whether they will be able to leave Iraq, irrespective of political arguments, with their head held high, having achieved a great deal.

It is important to acknowledge the improvement that has occurred. The situation in Basra, the area for which we have operational responsibilities, is phenomenally improved. We have had elections, which went off peacefully and in which people were free to vote. I have been able to walk around Basra and people have talked to me about the same kind of things that worry us here in Britain—jobs, the economy and the future of their families—and not the abject fear that dominated them a couple of years ago and throughout the reign of Saddam Hussein.

If all those things unite us, as I think they do, what divides us? We are divided, simply, on the timing. The Conservatives are trying to say—the right hon. Member for Richmond, Yorks (Mr. Hague) said it, in his usual amusing way—that it is an issue of time. He did not allow the facts to stand in the way of a good joke when he put his case. He was determined repeatedly to suggest that we no longer have people actively engaged in Iraq. He said repeatedly that our people are not actively engaged in Iraq. That is not so. There was an attack on the contingency operating base only a couple of weeks ago that killed not a member of the British armed forces but a civilian contractor. There are, albeit at a far lower level, improvised explosive device attacks taking place in the south-east as well as in the rest of the country. Our people—more than 4,000 of them—are still in danger at this moment. There are still malevolent forces intent on doing them harm.

It is our duty—I worry about this in my role as Minister for the Armed Forces—to ensure that no complacency creeps in during this final period of our active engagement in Iraq that could possibly lead to unnecessary deaths. I put our people at the forefront of my mind, but there should be no distractions either. It is no good saying that only the military would be distracted. I do not want the top of the shop—both on the military side and the civil service side in the MOD—to be distracted from the task at hand while we still have people in harm's way. All we are arguing about is the timing. The timetable is not a political one, but is simply a matter of our people still being actively involved in Iraq.

Mark Fisher (Stoke-on-Trent, Central) (Lab): The Minister knows that I voted against the war and that I want to see an inquiry. Is there not a way out of the timing problem that he is putting to the House? The inquiry will take some time, so could we not split it? Part of the inquiry could look at what went before the war and at the diplomatic and political issues. We could get on with that now. Nothing in our involvement in Iraq at the moment would stop us considering those pre-war issues. By the time that we are finally out of Iraq, as the Minister says, we could come to the military side. We should get on with the inquiry now, but split it into two halves.

Mr. Ainsworth: My hon. Friend has put that argument to me privately and he now puts it to me publicly. I do not believe that there is a case for splitting the inquiry into two halves. We need a group of people to sit down and seriously to consider the issues in the round. They need to consider all the measures that are to be taken. Of course, there are people who want an inquiry in order to score political points, but most people in the House, including those on the Government Front Bench, want an inquiry in order to learn the lessons that we badly need to learn from our involvement in Iraq. Many lessons that will need to be learnt will be appropriate to other engagements—not least, as has been said, to our involvement in Afghanistan. Not all the issues are transferable, but some of them potentially are. We need the inquiry to be comprehensively involved.

I do not necessarily think that the date of 31 July is set in stone. The issue that is set in stone is whether or not we have combat troops actively engaged in Iraq. Once that action has ceased, we can move on to what is a very important agenda. However, that agenda is not for today: it is for tomorrow, and for the period after the operation has ceased. I hope that my hon. Friend will see the importance of that approach in the way that he votes this afternoon.

Question put (Standing Order No. 31(2)), That the original words stand part of the Question.

The House proceeded to a Division.

Madam Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 265, Noes 303.

Division No. 88] **[4 pm**

AYES

Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cohen, Harry
Corbyn, Jeremy
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Flynn, Paul
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark

Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Jones, Lynne
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mason, John
May, rh Mrs. Theresa
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Salmond, rh Mr. Alex
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Alan
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Soulsby, Sir Peter
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Truswell, Mr. Paul
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wood, Mike
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Stephen Crabb and Jeremy Wright

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela

Eagle, Maria
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, David
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Sammy
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Steve McCabe and Chris Mole

Question accordingly negatived.

Question put forthwith (Standing Order No. 31(2)).

That the proposed words be there added.

The House divided: Ayes 301, Noes 265.

Division No. 89] **[4.16 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, rh Mr. Liam

Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Heppell, Mr. John
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, David
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Sammy
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Steve McCabe and Chris Mole

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul

Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, Mr. Mark
Flynn, Paul
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Jones, Lynne
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mason, John
May, rh Mrs. Theresa
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Salmond, rh Mr. Alex
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Alan
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Soulsby, Sir Peter
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wood, Mike
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Stephen Crabb and Jeremy Wright

Question accordingly agreed to.

The Deputy Speaker declared the main Question, as amended, to be agreed to (Standing order No. 31(2)).

Resolved,

That this House notes the Resolutions of this House of 31 October 2006, 11 June 2007 and 25 March 2008 on an Iraq inquiry; recognises the heroic efforts of the British armed forces in Iraq who have a continuing role which this House should be careful not to undermine; further recognises that a time will come when an inquiry is appropriate, but declines to make a proposal for a further inquiry at this time, whilst important operations are underway in Iraq to support the people and government of Iraq.

Business Rates and the Recession

Madam Deputy Speaker (Sylvia Heal): I must inform the House that Mr. Speaker has selected the amendment in the name of the Prime Minister.

4.29 pm

Robert Neill (Bromley and Chislehurst) (Con): I beg to move,

That this House notes with concern that the effect of the five per cent. rise in business rates and the end of transitional rate relief will mean soaring bills at a time of deflation and recession; notes the poor take-up of small business rate relief and calls for entitlement to be made automatic in England, as it is in Wales; believes the complex and shrinking Local Authority Business Growth Incentive Scheme should be replaced with genuine incentives for local authorities to promote business growth; further calls for local authorities to have the power to apply local business rate discounts; expresses concern about the effect of the 2010 rates re-valuation on retail premises and urges a review of the re-valuation plans; cautions that local firms will suffer as a result of the Government's business rate rises on empty property, new supplementary rates being imposed with no business say, and retrospective increases in rates on business by ports; and asserts that the Government's policies on business rates are harming local firms during the recession.

I sometimes think that opening a second half-day debate is a bit like being in the second house in repertory, but I hope that we have a better audience than is sometimes the case in those circumstances. *[Interruption.]* As the Minister says, the quality sometimes comes on later.

I am sure, however, that everyone will recognise that this is a topic of the first order of magnitude. It is a topic of such magnitude because business rates are a significant part of the existence, and success or failure, of many parts of our wealth-creating sector. The debate is timely because on 5 April, businesses throughout the country will receive a new set of business rates for the coming year. It is a matter of sadness from any point of view that many businesses will approach that day with considerable trepidation.

Robert Key (Salisbury) (Con): Does my hon. Friend recognise that the debate is also timely because it is a quarter day? Up and down the country, thousands of small businesses will have to pay their commercial rents or land rents to landlords. Has he heard of any assistance proposed by the Government to allow those businesses to continue in existence, because if they do not, they will not be able to pay the rates either?

Robert Neill: My hon. Friend makes a good point. The Government's amendment, which I shall come to later, makes a passing and broad-brush reference to certain proposals, but I do not think that they are adequate, as I hope I shall explain. His other extremely important point is the significant impact of business rates on the viability of businesses as a whole. Local firms in particular cite rates, after rent and staff, as their highest overhead. A significant hike in business rates, therefore, can be the difference between survival and prosperity or a business going down the tubes with jobs and prosperity being lost. That is why the effect of the proposed increase in business rates, compounded with the difficulties that many businesses in the small and medium-sized sectors are already suffering, makes the debate so timely. The situation for those people is particularly grave.

Against that background, it is not surprising that troubling figures are already emerging on the impact of business rate increases on top of other costs of the economic downturn. So far, the Local Government Association reports that four out of five councils have found an increase in empty properties in their town centres. That was before this rate increase happened; 80 per cent. of councils found that businesses are being driven out of our high streets, thanks clearly and firmly to the economic failures of this Government.

The LGA also pointed out a significant increase—of 56 per cent.—in the number of firms having difficulty paying business rates. That is an enormous increase, and if firms are having difficulty paying their business rates, they may well have difficulty in meeting their other obligations. Their viability is in danger. Why? It is because of the failure of the Government to do anything about proper liquidity for genuine and otherwise viable businesses—reflected in their failure to adopt the proposals advanced by my party for a proper loan guarantee scheme to get credit flowing—and because of the compounding of costs and regulations for those businesses. As a result, businesses are caught in a deadly pincer movement. Some eight out of 10 councils also found an increase in the number of small firms seeking business support. Those three sets of statistics from across the country are grim figures that are a serious indictment of this Government's handling of matters.

I turn to the impacts of the business rate that we seek to address in our motion, to some of the points where we take issue with the Government, and to areas where we believe that more can be done. The first issue is the increase of 5 per cent. that is due this year. That is especially hard for businesses to bear, because the methodology that the Government have adopted is difficult for many people to understand. It is based on rental values in April 2008, when the inflation index was higher than it is now. Businesses are facing an increase of 5 per cent. in rates when international price index—IPI—inflation is down to 0.1 per cent. and we are likely to experience deflation in the coming year. Businesses still have to meet the inflationary increase, which is based on thoroughly out-of-date figures.

That will make it hard for many small businesses to survive, yet, to revert to the point that my hon. Friend the Member for Salisbury (Robert Key) made, the Government have made no suggestions about the methodology, which could be changed and improved. Indeed, we hear the contrary from the Secretary of State, who has not graced us with her presence today. I am sorry that she is not here, because it is always a pleasure to see her and look her straight in the eye, as perhaps I can—*[Laughter.]* If one has a unique selling point, one should not be afraid to flaunt it.

When taxed with the difficulties that businesses would experience, the Secretary of State's response was,

"it is essential to try to maximise the take from non-domestic rates".—[*Official Report*, 20 January 2009; Vol. 486, c.608.]

That gives it all away. The survival of businesses and the viability of local services are not the Government's concern, but using businesses as a cash cow is. Businesses are being clobbered by the increase in non-domestic rates to bail out the Government's waste. Among other things, business rates are being used to subsidise the pointless VAT cut. On what would most people prefer public money to be spent? The Secretary of State's comment gives away the Government's position.

[Robert Neill]

Businesses are suffering from the further complication this year of the end of transitional relief from the previous 2005 revaluation. It is likely that that will raise another £100 million, taken away from businesses that are already in difficulty. People therefore face a genuine double whammy. Again the Government have done nothing—not even expressed a hint of concern—about the impact of the cliff edge on which many businesses are perched.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): Is my hon. Friend aware that the hospitality industry, including pubs and restaurants, is especially affected? This morning, I got an e-mail from Green's restaurant in Whitby, which has experienced a rates increase this year from £2,747 to £5,531. Several businesses in Whitby have contacted me to say that their rates have doubled through the combination of the end of transitional relief and the increase to which my hon. Friend referred.

Robert Neill: My hon. Friend is right—all the surrounding evidence supports his point. Again, it is worth noting that the Local Government Association—a cross-party body—has identified exactly the same problem throughout the country and in all sectors as my hon. Friend identified in his constituency in the hospitality sector.

In the south-east of England, a public house has experienced an increase from £1,800 to £6,600. Elsewhere, different sorts of businesses, even small ones, are experiencing increases—from, for example, £10,500 to £31,500. That is a triple increase—impossible for people to bear under current circumstances. Not only small businesses are affected. Some large organisations in our main town and city centres are also badly affected. One of the large metropolitan councils has reported examples of bills increasing from £37,000 to £123,000, and from £36,000 to £203,000. Such increases are not sustainable. My final example is not even the largest in gross or percentage terms: it is an increase from £567 to £17,096.

I speak with feeling about that, because as some hon. Members may know, many years ago my mother ran a small shop. When we looked at the situation each year to ensure that things were kept going, we needed a reasonable projection of what the increases might be. However, no one can be expected to keep their head above water in the current climate with those sorts of increases.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): When my hon. Friend's mother was running her shop all those years ago, the business rate was a local tax that was set by local authorities. A Conservative Government moved it to the Consolidated Fund and it has now become a substantial plaything in national revenues for distributive policies at the centre and therefore does not reflect the needs of local communities.

Robert Neill: That is entirely right; my hon. Friend makes a valid point. The situation is compounded by the Government's current proposals, which left this House only a matter of weeks ago, to add a supplementary business rate, to which I shall return. To deal with my hon. Friend's point, I would like the power to be given back to local authorities to levy a discount on the business rate under those circumstances. We floated that idea during the passage of the Business Rate Supplements Bill, but I regret to say that the Government rejected it. Such a power is exactly the sort of local discretion that we ought to restore to the system, so it is regrettable that the opportunity was not taken.

Lorely Burt (Solihull) (LD): I am listening with great interest and sympathy to the hon. Gentleman. However, rather than just giving local authorities the ability to levy a discount, why would he not go the whole hog and restore their ability to levy the local business rate, as suggested by the hon. Member for Aldridge-Brownhills (Mr. Shepherd)? Surely local authorities must know much better both how able local businesses are to withstand the payments and what sort of services they need.

Robert Neill: As many hon. Members will know, my party recently published a policy document called "Control Shift", in which we put forward a proposal to encourage local authorities to attract new business by giving them a stake in the revenue that new businesses bring—enabling them to keep the increase in council tax from attracting new businesses, without its being lost through equalisation, for a period of six years. That is an important point that we need to consider.

I might add that it is ironic that we should be making that positive proposal to enable local councils when the Government have been slashing the support for business growth that they used to give through the local authorities business growth incentive—LABGI—which has essentially been emasculated for want of financial support from the Treasury. I may return to that point, which shows a clear contrast between the approach taken by the Government and that taken by the Opposition on support for businesses through local authorities.

The overall situation is a double whammy, with a 5 per cent. increase based on outdated methodology and data, and the loss of the transitional relief, as well as those other matters to which we have referred. There is also concern about the impact on particular sectors. It is worth remembering that the retail sector is particularly likely to be hit in the current situation, because at the time of the revaluation data, which go back to April 2008, retail rentals were at a historically high level and the market was rather distorted. Since then, they have fallen back and come closer into line with rentals in other sectors, which is also closer to the position in the previous revaluation, in 2003. Small shops are therefore likely to be suffering particularly badly from the percentage increase.

That is one sector that is being hit, but it is not the only one. There is also the whole question of small businesses, which are always particularly vulnerable to financial pressures. Equally, small businesses are particularly important to the economy, because they are the seedcorn of many others. I have always thought that when Napoleon called us a nation of shopkeepers he paid us a considerable compliment about the strength of entrepreneurialism and individual initiative that enabled this country to beat him at the end of the day. We therefore disregard small business at our great peril. It is particularly troubling, therefore, that so many businesses are in difficultly.

In its current form, the small business rate relief scheme, which was introduced in 2005, involves businesses making an application. That brings us back to an experience that many of us will have had in dealing with

small business: at the end of the day, when people have been working extremely long hours, the more form filling, the more hassle, the more paperwork there is to do, the harder it gets, so the forms and applications are more likely to be shoved to one side as something that will have to be dealt with later. The first matter—of actually getting the money over the counter and through the tills—has to be dealt with first.

Mr. Brian Binley (Northampton, South) (Con): Has my hon. Friend heard the reports that I have regarding the small business rate relief—that many local authorities are simply not taking steps to advise small businesses of their ability to apply? In that respect, they are not helping with the processes small businesses have to go through at this difficult time.

Robert Neill: To be fair to local authorities, I think that the picture varies, but the important point is that at the moment the system creates a burden for the individual businessman or woman and for the local authority. It is a burden for the business person who has to make the application; it is a burden for the local authority if—as, to be fair, many do—they seek to advertise what is available, which entails some costs. I commend certain local authorities—for example, Conservative-controlled Birmingham city council has sent letters to all potentially eligible businesses and dealt with some 6,000 applications; Harrow council, which also happens to be Conservative, is joint sponsoring advice days; and there are many others. The evidence shows a very wide variation in the take-up: the national figure is about 60 per cent., but in some areas in the north-east it goes up to about 80-odd per cent., while in some areas of the north-west, on the other side of the Pennines, it goes down to the mid-20s—a bizarre state of affairs.

The solution could be achieved very easily by adopting the measures proposed by my hon. Friend the Member for Mid-Worcestershire (Peter Luff) in his excellent private Member's Bill, which was debated in the House just a couple of weeks ago, and making the relief automatic. I know that the Under-Secretary of State for Communities and Local Government, the hon. Member for Tooting (Mr. Khan), who was present on that occasion, made charitable and sympathetic noises in his helpful way, but we have not seen any action. It would not take long for the Government to act, and I sincerely hope that they will. My hon. Friend showed good faith in not pressing his Bill, but we now expect the Government to show some good faith and take his measure swiftly on board.

Mr. David Kidney (Stafford) (Lab): When I last asked a parliamentary question on this subject, the Local Government Association got in touch with me to provide examples of good practice, some of which the hon. Gentleman has just mentioned. Does he think there is a greater role for the LGA to help to ensure that all local authorities do as well as the best in trying to drive up take-up of this relief?

Robert Neill: I think the LGA is very willing to help and it has encouraged good practice. It also supported my hon. Friend's Bill, which would have made the relief automatic—it would have taken good practice to its logical conclusion and rolled it out nationwide, while also having the advantage of lifting the burden not only on businesses but on local authorities, which would not have had to use their current funding to encourage take-up and could have used it to provide other means of business support. Adopting my hon. Friend's Bill would therefore be a win-win situation, which is why I hope the Government will move swiftly to do so.

John Mann (Bassetlaw) (Lab): In the interim, what advice would the hon. Gentleman give to councils or local authorities of all parties that have failed to act in the way that those he highlighted have done?

Robert Neill: It is never too late to follow good practice, and I hope that all local authorities will. It really is as simple as that.

I have been talking about the small business sector, which suffers particular difficulties, but relief on empty properties is another important issue. The reduction in the relief available has caused difficulties in many sectors. We could understand the concern if it were thought that properties were being deliberately left empty, but that is not the case. The difficulty that the economic downturn creates is that, invariably and inevitably in these economic circumstances, the void period that arises between one letting finishing—sometimes, I regret to say, because the business previously in the premises has ceased trading—and another business taking over is likely to be longer, because there is less demand. To clobber the owners at that stage seems unjust and is, I think, an unforeseen consequence of the Government's approach. That could be rectified, however.

There is concern about the growth in the number of empty shops on the high street. Again, the LGA has been doing its best. Only two or three weeks ago, it announced an initiative on good practice that can be rolled out to try to encourage other means of at least getting vacant units in use, having something in shop windows and having some activity, rather than the whitewashed windows that we see all too often. Again, that is an area where there has been a failure to support business.

Another sector experiencing difficulty is the ports, which are important. The Minister for Local Government and I have talked about the ports on a number of occasions in recent times, and I am sorry that his eyes look as if they might glaze over, but I make no apology for returning to the subject because the treatment of those businesses is shameful. Also, I make no apology for saying to him that until he and his colleagues wake up and take notice of what is happening in the ports, we will return to these matters again and again.

A thoroughly needless step has been embarked on: a retrospective revaluation of port tax, which is driving firms in the ports out of business and threatening the viability of a key sector of the British economy. This all stems from the inadequacy of a Government agency. I know that the Minister has spoken to operators and businesses in the ports, as have I and a number of hon. Members. The message from the ports sector, which I have received very clearly, is that everybody accepts the need to pay a fair share in rates. There is no problem with rationalisation of the previous system—the cumulo—by which rates were paid.

For those Members who have not followed the issue, I should explain that previously businesses within the 55 registered ports in effect paid their rates via the

[Robert Neill]

operator; some were paid over in total by the operator. A decision was taken that led to their being rated as separate hereditaments—separate rateable units. So far, all well and good, but the incompetence and delay shown by the Valuation Office Agency in drawing up new lists meant that those lists were not available until this year.

As I recall, that is a number of years on from when the lists should have been made available. The consequence has been a massive retrospective increase in the cost of rates, backdated to 2005, when the lists should have been brought into being. The inadequacy and bad management of the VOA meant that firms were not asked to fork out for those changed rates until this year—three years after the event.

Mr. Julian Brazier (Canterbury) (Con): My hon. Friend is making a powerful case. Is he aware that a delegation of shipping and shipping-related companies is going to the Department for Transport tomorrow to tell Ministers there that, because of that and the disgraceful swingeing and unjustified increases in light dues, they are thinking of pulling out of this country altogether? The effect of that would be a huge increase in traffic through Rotterdam, and hence by lorry through Dover, with all sorts of consequences for regional policy, congestion in the south-east and so on.

Robert Neill: I am aware of that as it has been raised by my hon. Friend and a number of Members who sit on the Labour Benches, as well as by Members from all other parties. It is not a purely partisan matter, so it is all the more surprising that we have met with such a stonewalling response from the Department for Communities and Local Government.

It is worth examining these matters in a little more detail, because they clearly show the inadequacy of the Government's approach. Overall, there will be a very significant increase in the burden that the ports sector will have to bear. Not only is it retrospective, but it follows an increase that was imposed with no impact assessment, no consultation and no assessment of the effect on the wider economy. Moreover, the policy contravenes the Treasury's own guidance on retrospective taxation. That information does not come from me; all of it was obtained by hon. Members in answers to questions that they had asked the Government. The Government have breached their own rules.

Against that background, it is particularly invidious to use retrospective taxation. There are clear parameters for the use of retrospective taxation: it should be used very rarely, to preserve revenue and other significant interests. As there was never any assessment of the amount of revenue that might be raised, no one knew what there was to preserve. We have had enough stealth taxes from this Government in the past; now we have a backdated stealth tax as well, and that makes their action doubly invidious.

The Humber Docks Rating Group, which has met a number of Members, estimates that some 600 businesses could be affected. Firms are already going under. Three have gone under so far, and, although they are small firms, I believe that between 60 and 100 jobs have been lost. A number of other businesses have reported that they are in difficulty—and this is not just affecting the small business sector; it is affecting large multinationals as well. At a recent meeting at the House of Commons, DFDS Seaways made it clear through its UK managing director that unless the treatment of the ports sector changed, it would have to reconsider its investment and operations in the United Kingdom.

That underlines the point made by my hon. Friend the Member for Canterbury (Mr. Brazier). This is an area in which the United Kingdom's competitiveness is at stake. Organisations such as DFDS Seaways will simply relocate their operations in Europe—in Rotterdam—and, as my hon. Friend pointed out, the transhipments will then come by road, which will have bad consequences for the environment. This is the worst example that one could possibly imagine of the Government's lack of a joined-up policy.

Mr. Mark Field (Cities of London and Westminster) (Con): While I entirely agree with all the concerns that my hon. Friend has expressed about retrospection, may I ask him what our party's policy would be for the period between 2005 and the present day, given that we obviously want to help the ports as much as we can?

Robert Neill: What we have said is that we should postpone action so that we maintain the 2005 values until 2010. That would give the businesses a breathing space, and would enable the revaluation to be carried out on a proper basis with consultation, an impact assessment and a quantification of the revenue. That would enable the businesses—which know that there will inevitably have to be some uplift in their rates—to plan properly. The key point is that it was impossible for them to plan properly in this instance, because they were given no notice. In a number of cases, particularly at the smaller end of the scale, the amount demanded in back rates exceeded the annual turnover of the business. In order to pay the rates that will fall due in the coming week, businesses will technically be trading insolvent.

Apart from one of the blandest letters that I have ever seen, from the Insolvency Service, the Government have been able to produce no defence. When the hon. Member for Great Grimsby (Mr. Mitchell)—who I am delighted to see is present—initiated a debate in Westminster Hall, the Minister, as ever, put up a stalwart defence of the Government's position, but I felt he was a bit like General Custer at Little Big Horn. The only difference, apart from the fact that General Custer had long flowing locks, was that the Minister was at least able to walk away at the end of the day. The fact is, however, that he was surrounded, and there was no one to support him because the case was unanswerable.

When I was a barrister, I occasionally had to tell clients that they did not have a case. The Government are in exactly the same position. Their case is roughly the same as that of a defendant when his fingerprints have been identified, there is a DNA sample, he has signed a confession, and the Archbishop of Canterbury was an eye-witness. They have been caught bang to rights, and the sooner they accept that and move in the direction that has been suggested by my hon. Friend the Member for Cities of London and Westminster (Mr. Field), the better. Otherwise, the ports sector in this country is at real risk of being dealt long-term damage.

The Minister for Local Government (John Healey): I understand why the hon. Gentleman might want to have a dry run of a full debate we will have on this

subject next week, but does he not accept that this is not, as he is trying to say, something new for ports? Does he not accept that although 500 or so businesses in ports are newly listed and liable to pay business rates, three times that number were already paying business rates separately before this period? Will he not also accept that what is new is the unprecedented period of eight years to pay these backdated, legally established tax liabilities, which we are proposing and he is opposing?

Robert Neill: The Minister is game as ever, but he does not address the key points. The issue of the separate rating is not of itself the problem. What is new is the retrospective revaluation element; that is the bit the Government have not been able to address.

John Healey: It is not new; it is an established part of the ratings system—it has been so in this period, and it was in the last period. More firms outside the ports are in the same position, because that is the way the rates system works, and the period we are allowing for payment will also help those businesses, especially in the current economic circumstances. There is nothing special about the position of these ports businesses, except that they are the subject of a review that the Valuation Office Agency has undertaken. It arguably could have done so more quickly, and it has conceded that point.

Robert Neill: I know the Minister has his back to the wall, but, if I may say so, he really is struggling a bit. It is not, I hope, normal practice in the valuation business for changes to be carried out retrospectively without impact assessments and without consultation. If it is, that says a lot about those ultimately responsible for the VOA—and the ultimate responsibility lies, of course, with Ministers.

What is special about the ports sector is that it is particularly vulnerable to this measure, and firms are starting to go out of business. Nothing the Government can say will get them off the hook on this, and I regret that the Minister is, perhaps on orders from above, still digging himself into this position. That follows on from the response of the Department to the House of Lords debate last week, where the Government position was condemned by their lordships, and the next day the Government issued a statement saying, "Nothing has changed, and we carry on as before." This Government are turning into a modern-day version of the Bourbons, as that is an attitude we could have expected from Marie Antoinette and Louis XVI in Versailles. The only difference is that the Government are saying, "You can have eight years to eat the cake," but what they do not understand is that the cake will choke the businesses in the interim. That is why this is wrong. The Government have learned nothing and forgotten nothing.

If we add all these things together, we are left with a catalogue of failure. I have referred to supplementary business rates, but there is also the winding down of the local authority business growth incentives—LABGI—scheme. There have been wholly inadequate responses from the Government.

John Mann: Will the hon. Gentleman give way?

Robert Neill: Yes I will, although I think I have been fairly generous.

John Mann: Well, in that case I suppose I should thank the hon. Gentleman for his generosity. On the LABGI scheme, does he agree it is reprehensible that some local authorities have this money in the coffers and are spending it on things other than what they should? One local authority chose in its budget for the next year to spend the entire amount over the last three years—£815,000—on job evaluation, rather than on assisting local business growth.

Robert Neill: What is most reprehensible is that the Treasury cut the amount of funding available for LABGI by such an enormous amount, but that was not mentioned.

Having now dealt with LABGI, I will move on, if I may, to—

John Mann: Will the hon. Gentleman give way?

Robert Neill: I have been more than generous in giving way to the hon. Gentleman, so I shall not do so again now—he is not going to get away with this again.

John Mann *rose—*

Robert Neill: I do not want the hon. Gentleman to get stuck in the position he is currently in, as he might hurt himself. I have given a very clear answer. I am more than happy to encourage all local authorities to work seriously together, and I hope they will, but there is no point in masking where the real responsibility lies here: the Government have emasculated a scheme that could otherwise have worked well, and then sought to ignore what my party were trying to put in its place.

John Mann *rose—*

Robert Neill: The hon. Gentleman has had two bites at the cherry, which is more than generous. I do not think I am usually difficult about giving way to hon. Members, but I am not going to have a two-way conversation with him, as that might get boring. *[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. Two-way conversations from sedentary positions are not just boring; they are not allowed in the House. I have half an eye on the clock, and as a lot of hon. Members are seeking to catch my eye, perhaps we could press on with the debate.

Robert Neill: I am happy to do that, Mr. Deputy Speaker. I have deliberately sought to take as many interventions as I can, in an effort to assist hon. Members in this debate.

Against the background that I have outlined, the Government have failed to deliver real assistance to small businesses. As we alluded to in our motion, there has been a smokescreen of measures that have never been delivered on the ground. I know that my hon. Friend the Member for Hertford and Stortford (Mr. Prisk) is going to refer to those in some detail when he winds up. No real action has been taken, there has been no proper loan guarantee scheme, and we have not had the things that would really make a difference to business. The Government have not introduced anything that would provide a real incentive for businesses to come to a local authority area, such as the incentive scheme that we propose; nor have they given local authorities the ability to offer discounts to help businesses in trouble.

[Robert Neill]

Those things would really help business in this difficult time, but the Government ignore all those real actions; instead, there is a smokescreen of spin and a degree of reluctance to acknowledge reality. It does make one think that this Government are now firmly stuck in the bunker—Ministers are moving phantom armies around in Ukraine, while the threat to businesses is knocking on the door of Whitehall. That is the reality: the Government have lost touch on this issue, and business deserves better.

5.6 pm

The Minister for Local Government (John Healey): I beg to move an amendment, to leave out from "House" to the end of the Question and add:

"notes that the Government has recognised the problems that many businesses face and is committed to do all it can to help them through these testing times; recognises the action the Government has taken to give targeted support to businesses including a £20 billion working capital scheme, an aim to pay Government suppliers within 10 days, a cut in the main rate of value added tax to 15 per cent., a deferral in the increase in the small companies' rate of corporation tax, free business health checks, more than £100 million towards debt advice, the HM Revenue and Customs Time to Pay scheme benefiting 93,000 firms by deferring £1.6 billion in tax, and extension of Empty Property Relief; believes the Government's commitment to the annual Retail Price Index cap means that there has been no real terms increase in business rates since 1990; welcomes the Small Business Rate Relief scheme benefiting 392,000 businesses by £260 million in 2007-08; recognises that funding of almost £1 billion since 2005-06 has been provided through the Local Authority Business Growth Incentive scheme; further supports fairness in the system that ensures that properties are revalued every five years with transitional relief to phase in significant increases in bills from revaluation; and acknowledges help provided for businesses, including in ports, receiving unexpected and significant backdated rates bills by introducing an unprecedented eight years to pay, as part of a package of measures that ensures through the rates system there is certainly, fairness and appropriate relief for businesses.".

This is an important and timely debate on business rate taxation. It is also an interesting one, because what we have just heard from the hon. Member for Bromley and Chislehurst (Robert Neill), the Conservative Front-Bench spokesman, is a strong case for a fiscal stimulus and tax support. On that basis, I am glad that he is part of what is now an inter-party international consensus that knows that Government action is needed to slow the global downturn, to speed up the chances of recovery and to regulate better the international financial system for the future. I am glad that he also seems to know that Governments must act to help families and firms through this recession, even if—I have to say this—the shadow Chancellor and his party's leader do not appreciate that.

As the Prime Minister and the Chancellor have made clear—this is where the real difference between the two sides of this House lies—we will take whatever action is needed to see us through the credit crunch. We will do what it takes, as we have done, to prevent the—*[Interruption.]*

Mr. Deputy Speaker: Order. May I repeat what I said earlier? If anybody wishes to intervene, it is much better for the structure of the debate and for general order if they intervene from a standing position in the normal way, rather than chunter from a sedentary position.

John Healey: I was trying to take the chuntering from the Opposition Front-Bench team seriously, Mr. Deputy Speaker. I am not sure how they can say that no action has been taken and everything is simply spin, given that we stepped in to prevent the collapse of the banking system. We did so because it is important to savers, pensioners, householders and mortgage payers—all of us—and businesses that we have a banking system in which banks do not go bust and which gets back as quickly as possible to the proper of business of banking: lending to support the British economy, lending to support firms and lending to support families. Similarly, I should mention the help that we have given to try to keep companies in business, people in work and families in their homes, and the action that we are now taking to try to ensure a proper international system of regulation in order to cut the risks of such a meltdown in the global financial system in the future.

Mr. Brazier: What would the Minister say to Ahlmark Shipping (UK) Ltd, which contacted me this morning to say that it had received a backdated rate demand for £750,000? Nobody from the Valuation Office Agency, or indeed anyone else, approached the company about this new system of paying direct rates—it already had a negotiated cumulo contract with its port supplier. The first that the company heard about this was in March 2008. It now faces a bill for the sum that I mentioned and it says that it has no chance of recovering those costs from its customers. It states that this

"will make our company insolvent with job losses inevitable."

John Healey: If the business is faced with such a business tax demand, it should have been paying business taxes a good deal earlier than 2005. I would also say that businesses in the same port—possibly ones in direct competition with the one that the hon. Gentleman mentions—have been paying business taxes on their own account during that period. Finally, I would say that the Opposition should not vote down the measures that we will seek to put in place next week that will give that firm and others in a similar position eight years to pay the backdated business rates that they are now legally liable to pay.

Mr. Shepherd: The Minister said that the stabilisation of the banks is important, and I am sure that everyone agrees. But we are seeing, especially in the west midlands, rapidly rising unemployment. It is now 2 million and may be 3 million by the end of this year. Despite that, the Government are persisting with increasing the taxes on business and therefore harming the prospects for jobs. That is what the uniform business rate is doing now, and surely the Minister's argument requires some balance to try to get the equation right.

John Healey: Well, that is another argument from the Opposition for a fiscal stimulus. It also overlooks the fact that we have put in place the VAT cut, and the Office for National Statistics suggests that 70 per cent. of the cut has been passed through into prices. Other independent commentators have said that it is the equivalent of a 1 per cent. interest cut. The hon. Gentleman also overlooks the fact that in the pre-Budget report the Chancellor said that he would not proceed with the increase in the small companies rate that was scheduled.

Robert Neill: Is the Minister really saying that he thinks that the VAT cut has worked? Does he think that many small businesses have found it possible to make the reduction in VAT given the administrative costs? Would it not have been simpler and more direct to have helped them through the rates?

John Healey: It is not what I say: the Office for National Statistics has said that the VAT reduction has been passed through to consumers in some 70 per cent. of prices. The independent Institute for Fiscal Studies says that the VAT cut has had the same effect as a 1 per cent. interest rate cut. Goldman Sachs has said:

"The VAT cut appears to have had a clear positive impact."

Mr. Shepherd: The problem is clearly focused in small businesses, and many of my hon. Friends are very concerned about that, but it is also much wider on the high street. Some big chains are in marginal trading positions now, and they are big sources of employment. The Government will lose revenue and costs—through social security—will rise. Would it not be better to stabilise matters by retaining the situation as it was before all these proposals started to increase the burden on employment?

John Healey: As the House would expect, we are in close contact with businesses and have detailed discussions with those from all sectors and all parts of the country. I am conscious of the particular pressures in which business rates have played a part. I said earlier that the Prime Minister and Chancellor have made it clear that during this period of unprecedented economic downturn and pressure, we are prepared to take whatever action is needed to try help business and the economy through it.

Charles Hendry (Wealden) (Con): Will the Minister also look into the case of my constituent, Mr. Thompson, who runs one of the many excellent village pubs in my constituency, the Anchor Inn in Hartfield? Even though the rateable value of his pub has gone down this year, the rates payable have gone up from £10,622 to £16,967, an increase of 60 per cent. Will the Minister meet Mr. Thompson and others to explain to them how, in these incredibly difficult times, they are expected to find that sort of money, which represents a £600 a month increase in the amount that they have to pay in business rates?

John Healey: My diary secretary hates it when I come to these debates. I will not meet the hon. Gentleman's constituent, but I will meet the hon. Gentleman if he wants to run through the details of the case with his constituent beforehand. Having heard only what the hon. Gentleman has outlined, it is difficult for me to comment on that situation. It might be a product of the end of the transitional relief, which has dampened the increases in the business rates that his constituent was liable to pay for the past four years. We legislated for that scheme and put it in place before the 2005 ratings list came into operation, so that his constituent and any other of the 1.7 million businesses in Britain would know—because of that provision and other stable features in the system—their likely rates liability for each of the five years of the ratings list. When one is running a business, advance knowledge of a potentially significant element of overheads does not mean that the liability to pay changes, but that the ability to plan and to try to manage those pressures is improved.

Mr. Brazier: That, of course, is precisely what has not happened in the case of companies such as Ahlmark Shipping and other companies subject to port rating. They were given no notice of any kind. Many renegotiated their rent, sometimes on contracts that ran five or even as many as 30 years ahead, on the basis of the existing cumulo arrangement. Will the Minister at least accept that even if the logic of his argument is correct—I do not accept that it is—recalculating those payments cannot then be a private matter between the port employer and the port tenant? Often, those employers who have benefited, who, in many cases, were warned about the changes when their tenants were not, are competing against their tenants who have warehouses on a different rating.

John Healey: This debate is in danger of foreshadowing a debate that we are likely to have in the Chamber next week. In general terms, I do not accept that the separate listing and liability for business rates for some of those businesses came completely out of the blue for three reasons. First, we made it clear well before 2005 that we intended to end the system of prescription. Secondly, a large number—more than 1,500—of businesses based in ports were already paying business rates on their own account and not through the port operator before the listing period started. Thirdly, although I accept that communication from the Valuation Office Agency could and should have been better and that it should have been distributed more quickly, information about the ports review was disseminated widely across the sector from an early stage in the process.

John Mann: May I say how delighted I am to hear my right hon. Friend reiterate that the Government will do whatever is necessary? Does he agree that it is necessary to ensure that the LABGI—or local authority business growth incentive scheme—money is not spent on other causes? For example, one local authority has chosen to put £815,000—three years' money—into job evaluation rather than making it available to local businesses through its budget for the next year. Will the Minister do something about that to ensure that that money, which is earmarked for businesses, goes to local businesses?

John Healey: The LABGI scheme—to use a rather ugly and awkward acronym—was a three-year scheme from the outset. The hon. Member for Bromley and Chislehurst misleads the House when he says that the amount for the scheme has been slashed—*[Interruption.]*

Mr. Deputy Speaker: Order. The word "misleads" is not a word that we like to use in the Chamber. Perhaps the Minister would care to withdraw it.

John Healey: Thank you, Mr. Deputy Speaker. I do not wish to accuse the hon. Member for Bromley and Chislehurst of misleading the House, so of course I withdraw that word. However, he is mistaken if he describes it as a scheme that has had its funding from the Treasury slashed. I say that because I was the Treasury Minister responsible for introducing it. I devised and funded it as a three-year scheme: over the three years, almost £1 billion has been made available as a reward to local authorities that played a part in helping businesses in their area to grow.

[John Healey]

My hon. Friend the Member for Bassetlaw (John Mann) makes a really important point. The money is a reward and a recognition, yes, but it is also an encouragement and an incentive to local authorities to do more to support their business base, and to bring jobs and long-term prosperity to their local economy. That is the sort of investment and activity that we wish to encourage local authorities to increase, but the Government—and especially my Department—have a principle to which we hold quite strongly. We believe that, where possible, we should allow local authorities to take decisions for themselves about how best to spend their money and about what is best for their area.

John Mann: I thank the Minister for that answer and for giving way again, but does he understand the anger of the very large number of business people in my constituency who have contacted me in the past few days? They have been astonished to find that Bassetlaw council has earmarked the LAGBI money in its budget for next year for job evaluation, and not towards giving local businesses the support that they currently need.

John Healey: I can understand the reaction of business people in Bassetlaw. If what my hon. Friend says about his council's use of the money is correct, that places it out of step with the mainstream of councils that receive LAGBI money. Most councils see the reason for the money and understand its value, and they have been able to use it to support local jobs and businesses, particularly during this difficult time when the economy is on a downturn and businesses are under new pressure.

We are conscious of the pressures on business at present, and of the pressures that business rates can produce, but I remind the House that rating systems of one type or another have been in place in this country for more than 400 years. The present system is central to providing the revenues that support those local government services—such as education, housing, waste, social services and planning—that benefit us all.

This year, business rates should raise around £20 billion—all of which, I point out to the hon. Member for Wealden (Mr. Hendry), is redistributed to local authorities, rather than going into central coffers or the tax pool.

Mr. Shepherd: Looking around the House, I do not see many hon. Members—if any—who were present when this measure went through. The key word is "uniform", and the distinction is that this is now a national taxation at the command of central Government. As a result, it does not reflect the two important features of rates that have been key for all their 400 years—less 20 years—of history. That is, that the money was at the disposal of local authorities to compensate for the nature of business in their areas, and that it therefore flowed to those areas around the country—market towns, for example—that encouraged business. This uniform thing merely makes the tax divisive across the country, and thus very different by nature from what preceded it.

John Healey: I am interested in the common cause that the hon. Gentleman is making with the Liberal Front-Bench team. Setting the business rate nationally is a way of making sure that the revenues available are redistributed fairly, particularly to poorer areas. It also ensures that the system itself is fair in that, when a local economy or area has relatively few businesses, the ones that do exist are not disadvantaged by having to pay a higher rate. The business rate system we have today is a way of ensuring in a number of ways—not just that one—that there is a fair system of taxation for all businesses in all areas.

Mr. Mark Todd (South Derbyshire) (Lab): While my right hon. Friend is right in saying that this taxation system is not particularly new, what is relatively new is the early imposition of business rates on empty property, following the Barker review. In times such as these, no sane property owner will needlessly hold on to empty property, so although the focused support for smaller businesses is welcome, will my right hon. Friend review the level at which that assistance comes into play? In my area, companies are struggling to let properties while desperately trying to meet business rate demands they cannot cover.

John Healey: I shall make sure that my hon. Friends at the Treasury take that as a Budget representation from my hon. Friend. I am glad he welcomes the change that we shall be making from April this year, which means that there will be a higher threshold and thus no new liability to pay on probably about 70 per cent. of empty properties. He urges us to review the operation of the scheme and we shall of course do so once it is in place.

I turn again briefly to the questions about the business rate system as I think it would be useful for the House to understand how we have tried to design it so that it is fairer for businesses—I have mentioned the benefit of a nationally set rate in that regard. The system is based on the hypothetical rate that an occupant would pay to use a property. If a property is in a better location or provides better amenities, the rent that someone may be willing to pay will be greater and the rateable value and the rates that flow from that are, therefore, also greater.

The hon. Member for Bromley and Chislehurst talked about the multiplier. He is right: the actual amount a business pays in business rates is calculated as a function of both the rateable value and the multiplier. Contrary to the assertion that through the business rate system, business is a cash cow for Government funding, or even local government funding, business rates rise only by the rate of inflation. Each year since 1990, and consistently since 1997, the rates have risen only in line with inflation. That has meant that since 1997 the proportion of local government funding from business rates has dropped from about 25 to 21 per cent.

Before anyone from the Opposition jumps to their feet, it is not the case that the proportion of the council tax contribution to council funding has risen in a mirror image. Investment from central Government has increased above inflation every year since 1997, but the proportion of local government funding from council tax has been roughly the same over the past decade.

Mr. Mark Prisk (Hertford and Stortford) (Con): The Minister is right to point out the importance of the retail prices index. If the RPI is negative this September, will the Government commit to reducing business rates for the coming year?

John Healey: As the system stands, that would be the effect on the business rates multiplier for the following year, if RPI is negative in September. The multiplier is

capped each year by RPI—inflation. Through the cap and by setting rateable values for a five-year period, we can give businesses certainty about the level of their business rate liability.

In addition, where we think there is a strong case, we have been ready to introduce reliefs to make the system fairer still. There are now mandatory reliefs for charities and community amateur sports clubs of at least 80 per cent., which last year were worth almost £800 million to those bodies. We introduced rural rates relief, which has been available since 1998. Pubs and post offices in rural areas can get 50 per cent. rate relief. I have to say that the Conservative party opposed the legislation that introduced that relief.

Peter Luff (Mid-Worcestershire) (Con) *indicated dissent.*

John Healey: The hon. Gentleman shakes his head, but his party voted against the Second Reading and the Third Reading of the legislation that brought in that measure. However, he is, I am pleased to say, a strong advocate for that relief, as is the Conservative party now. According to the last figures, that relief is worth about £260 million to nearly 400,000 small businesses. So there is relief in the business rates system, particularly for small firms, where there is a good, principled case for it.

Peter Luff: Of course, the Minister is being a bit tendentious. We opposed the Bill for the bad things that it did. The relief provisions were a good thing in it that we always supported, so he was not right to say what he did. The automatic rate relief was always supported by Opposition Members. I support it, and I am glad that the Government embrace it. I have had constructive discussions on making that relief automatic in my private Member's Bill. He has indicated that he is in constructive discussion on the issue with other parts of Government. I have now examined all the arguments against making it automatic, and none of them has any validity. May I join in pressing him to make Budget representations to the Chancellor, and ask him to make sure that automaticity forms a part of the Budget measures next month?

John Healey: I shall personally forward a copy of the *Official Report* to the Chancellor tomorrow, and I shall highlight the hon. Gentleman's contribution with my doughty yellow marker pen, which I have here. Let me mention revaluation, because the Conservative Front-Bench spokesman raised the subject. It is a major part of the rating system—and, I would argue, of the fairness in that system. That fairness comes from the regular five-yearly revaluations.

Andrew Selous (South-West Bedfordshire) (Con): Will the Minister give way briefly on the issue of fairness?

John Healey: Of course.

Andrew Selous: I am grateful. The Minister has been extremely generous in giving way today; I think that we all appreciate that. Last week, I was approached by someone whose business operates from small, one-storey premises. It is charged the same business rates as a much larger, two-storey building on the other side of the road. He has been in contact with the Valuation Office Agency, which said that it would take him to court, before offering him a payment plan. He has been told that it will cost him about £800 to challenge the decision. Is that fair? What sort of help can the Minister offer to businesses in that situation that are being treated unfairly? There does not seem to be equity in some cases.

John Healey: I think that it is reasonable that the hon. Gentleman's constituent should question the Valuation Office Agency's rating valuation. If his constituent is still contesting the view that the agency takes, he has the right to challenge it. He has the right to take the case to a tribunal to have it properly adjudicated. I would encourage the hon. Gentleman to encourage his constituent to do just that, as is his right. The Valuation Office Agency is there to deal with people's questions or challenges in the first instance, but the independent tribunal is there to adjudicate between the assessment made by the agency and the evidence that people such as his constituent produce.

Let me return to revaluation. It ensures that businesses contribute at a level that is based on up-to-date information. The next revaluation is due to take effect from 1 April 2010. The revaluation will not raise extra business rates revenue; that is an important protection for all businesses. Some rates bills will rise and some will fall after the revaluation, but the average national rates bill for businesses will change only by inflation. For those rate payers who face big increases at the 2010 revaluation, we will introduce transitional arrangements, so that we phase in those increases. We plan to consult later this year on the design of those transitional arrangements, which will substantially benefit business in the new rating list period.

Robert Neill: I am grateful to the Minister for giving that indication. Will he confirm that the transitional arrangements will be, at the very least, no less generous to businesses than the current arrangements, and will he consider looking again at the methodology for calculating the revaluation?

John Healey: I can confirm that we are considering the appropriate methodology at the moment. I can further confirm that we aim to publish the proposals for consultation later this summer. I look forward to debating them, and to hearing the hon. Gentleman's representations on them.

Let me move on briefly. I said earlier that we were very conscious of the economic pressures on business at present—the pressures that the international credit crunch and the economic slowdown are having. That is why, contrary to the argument that we heard earlier, there is a range of practical measures in place that is offering real help to businesses, particularly to small firms, in the face of not just a credit crunch, but a crunch of confidence, demand and, increasingly, jobs. Not to act, as independent commentators and some of the specialists have said, is likely in the long run to cost us more than the action that we are taking.

To help cash-flow pressures from business taxes, those measures include putting in place a mechanism for deferring tax payments. Since it was announced in the pre-Budget report, HMRC has done so for 93,000 businesses at a value of £1.6 billion. The measures include help to secure finance for small and medium-sized enterprises through the Government enterprise finance guarantee. That enables banks to provide an initial £1.3 billion of lending to SMEs that have viable business plans but find that their normal commercial sources of

[John Healey]

support may have been choked off in the current circumstances. So far 26 lenders have signed up to the scheme and 20 of those lenders have already made offers; 1,300 businesses have been registered as eligible for support, and support to date totals almost £150 million.

Mr. Binley: I am grateful to the Minister. He is always generous in giving way and, as my hon. Friend the Member for South-West Bedfordshire (Andrew Selous) said, it is appreciated. What assessment have the Government made in relation to deferment of VAT payments with regard to indebtedness? When a drowning man sees something in front of him to grab hold of, he grabs hold of it. My concern is that the degree of indebtedness that might be incurred will make more people insolvent, rather than fewer.

John Healey: The Government have not made a precise assessment of that, but the general concern, particularly about cash-flow pressures and sources of credit that will help see companies through this period, has been at the root of the schemes that are now in operation. That was the root of the deal that we did with the European Investment Bank to make sure that we have £350 million for small and medium-sized firms, which has been agreed by UK banks. It is also why we want our banks to lend responsibly again, so that those banks that have taken a good slice of taxpayers' support are required in legally binding agreements to increase the level of lending that they will undertake next year. So Lloyds will increase its lending in the next 12 months by £14 billion over last year's figure, with £11 billion of that to business. RBS will lend an extra £25 billion, £16 billion of that to business.

In conclusion, I return to the speech that we heard from the hon. Member for Bromley and Chislehurst and to the motion. The speech was long on criticism, as I have come to expect from him, but it was short on solutions and even shorter on commitments that businesses could take seriously, rely on and expect from the Conservative party. Faced with an unprecedented failure of the global financial system, which is now having severe repercussions on jobs, confidence, credit and demand, there are easy criticisms, but there are only hard decisions that need to be taken.

Recognising the problems, as we do, and recognising the pressures that business faces, we have been clear and committed and are acting in every way we can to help them through the period. That is why we have in place targeted support for business, we have deferred the increase in small companies corporation tax, we have carried out almost 36,000 business health checks, we have the lending schemes in place, an extra £100 million has gone into debt advice, and it is the Government's aim and commitment to try and pay invoices, particularly to small firms, within 10 days.

On business rates, the Government's package of measures includes, among other things, the commitment to the annual retail prices index cap, the introduction of the small business relief scheme and the regular revaluation every five years. That combination of measures enables the business rate system to raise revenue vital for local services while being certain and fair and, when appropriate, providing reliefs for specific businesses. That is what our amendment to the Opposition motion sets out, and I urge my hon. Friends to support it.

5.40 pm

Lorely Burt (Solihull) (LD): More than 20 years ago, my company moved into its first commercial premises. My shock on receiving my first non-domestic-rates bill stays with me to this day: "You mean I have to pay all that without even having my bins emptied? What am I paying the rates for?" I cried. I imagine that that innate sense of unfairness at the Government's milking of a person's business for cash has been replicated among many business owners throughout the years.

On complaining to my local authority, I discovered that it had no hand in setting the rates, which had been set by central Government; the local authority would not have any interest in providing a service, given that the money that it was instructed to collect went straight into Government coffers. I know that some of the money is reallocated back and that local authorities see some of the fruits of their labours, but it seemed wrong to me then that I, the business rate tax payer, was powerless, and that the local authority had no power either. It just played the role of tax collector.

There have been a number of attempts to link various payments from businesses to the quality of service that they receive. There are business improvement districts, for example. When businesses are strong participants in a bid, the districts seem to work well, although some have enjoyed mixed success. However, at least businesses get a vote and a say in such a bid.

As has been mentioned, we recently debated the Business Rate Supplements Bill. We supported it because we recognised that major infrastructure developments such as Crossrail need businesses to support them financially and that businesses along the route supported Crossrail. Such a big project would not be able to survive without business support. The Liberal Democrats tabled several amendments to the Bill in an attempt to introduce a ballot for all businesses that were to be levied. The measure was supported by the Federation of Small Businesses, the Institute of Directors, the CBI, the Royal Institution of Chartered Surveyors and the British Chambers of Commerce—but not by the Government. We tabled amendments to give businesses a say by means of a project delivery board, through which the expertise of business could be used in the delivery of improvements supposed to be for the benefit of all. Nevertheless, all those amendments were rejected or talked out.

Businesses are back more or less where they have always been: paying the piper, but never calling the tune. The Conservative motion proposes that local authorities should have the power to apply local business rate discounts, and there has already been some discussion of that. The proposal goes in the right direction, but it is still only tinkering about on the edges of the problem. We need a proper relationship between the local authority and the businesses operating in its area.

Businesses might be more willing to pay business rates if they could see what they were getting for their money and if services could be tailored around them; they might be more willing to pay if they had some say in the matter. However, under this Government—or the Conservatives—the chances of that happening are about as likely as Fred Goodwin's getting a Christmas card from the Prime Minister.

Mr. Prisk: He got a knighthood!

Lorely Burt: Yes, he did, but that was some little time ago; I doubt if he would get one today.

In their amendment, the Government cite no fewer than 12 initiatives that they purport to have introduced to help business, some of which are most welcome. The HMRC scheme allowing deferral of tax payments is welcome. The local authority business growth incentive scheme was welcome, if overly complex to administer, but I understand that its funding has now dropped to £150 million. Why, at a time of crisis, have the Government reduced the ability of local authorities to extend help to local businesses in their area? Perhaps the Minister could comment on that in the wind-ups.

The amendment mentions the aim of paying Government suppliers within 10 days. I understand that the practicalities of that are causing difficulties, because 10 days is something of a random number, and implementation even of the aspiration seems to be pretty random. If all taxpayer-funded suppliers were paid even within 30 days, that would be a huge improvement for many companies who are having to wait months for payment on Government contracts. The amendment refers to free business health checks. The Minister said that 130,000 have already been carried out, but I would be interested to know what percentage of businesses know about the checks, especially those in the smallest business categories.

This blizzard of Government initiatives sounds great, but are they achieving any real penetration? Are we just skating about on the surface of an iceberg whose depth we do not know?

Mr. Mark Oaten (Winchester) (LD): Will my hon. Friend also consider the possibility of the Government trying to simplify the procurement system so that small businesses can apply for and win contracts much more easily than through the current process, which requires endless forms and delays? Is not that another initiative that needs to be speeded up?

Lorely Burt: My hon. Friend makes an excellent point. Procurement is hugely important. Where local authorities have a responsibility to procure locally, simplification of the approved supplier status would be tremendously helpful. Some organisations are trying to work on a simple one-size-fits-all approved supplier application form. I hope that the Government will take that on board and give it some consideration.

Anne Milton (Guildford) (Con): Does the hon. Lady agree that the Minister said nothing that will help the 272 businesses in my constituency which, at the end of transitional relief, face increases of between 5 and 1,000 per cent.? There is no way in which some of those businesses will be able to withstand those sorts of bills.

Lorely Burt: I am grateful to the hon. Lady for that intervention. We have been tantalised with a suggestion from the Minister that some form of transitional relief system will be introduced for businesses that will have large increases. I look forward to hearing a little more detail on how that might operate.

Then there are the big initiatives mentioned in the Government amendment. The £20 billion working capital scheme sounds fantastic, but the wheels are turning too slowly and the money is not getting through. Giving an instruction is not like waving a magic wand. Our beloved Chancellor is not Jean-Luc Picard, captain of the Enterprise—he cannot just say, "Make it so," and have the crew comply with miraculous speed. We are not in warp drive; we are not even moving in the right direction. In reality, the Chancellor is more like the captain of the Titanic. There is the iceberg—the ship is moving inexorably towards it. He has given the order to change course, but the crew will not turn the ship around fast enough. In fact, the crew are not obeying orders at all. The captain has failed to supervise them properly, and they have become dissolute in their ways. They need taking in hand by a stronger, more far-sighted captain—one who saw that iceberg looming years ago. He is a captain who would take firm control, nationalise the banks, which are already in majority public ownership, and steer the ship back on the course of prosperity. I refer of course to the cultured, erudite Captain Picard of the Liberal Democrats, my hon. Friend the Member for Twickenham (Dr. Cable).

I could go on, but to return to earth for a moment, we should consider another benefit mentioned in the Government amendment, which is the extension of empty property rate relief for businesses with a rateable value of £15,000 or less. I wonder what sort of small business in London would benefit from that empty property rate relief—a purveyor of broom cupboards perhaps, or a car park space owner. The CBI has calculated that at least 5 million sq ft of property has been demolished already to avoid that tax, which is an absolute scandal for business and for the environment. I ask the Minister if we can please see in the Budget an extension of the upper limit on empty property rate relief, at least, which would be sensible.

Andrew Selous: Is the hon. Lady aware that a number of such sites around the United Kingdom have not only been demolished, but left with rude signs in big piles of rubble, telling the Chancellor, "No business rates coming in on this one"?

Lorely Burt: Yes, I think that there is one on the A40 coming into London, and it is a travesty in every sense of the word. We need a regime that does not force business people, such as one of my constituents in Solihull, to let business accommodation at 50p per sq ft because they cannot afford to pay the rates. Companies should not be profiting from carrying out wanton destruction of perfectly good buildings.

Paul Holmes (Chesterfield) (LD): Would my hon. Friend agree that the problem is not just the demolition of existing buildings? In Chesterfield, for example, a developer was planning to build three office blocks on a brownfield site at one of the gateways into the town. Having built one, and been hit by the empty business rate at a time of recession, it is not prepared to go ahead with the other developments. Those developments would have meant that office blocks were available to attract new businesses when we come out of recession.

Lorely Burt: My hon. Friend makes a valid point. By the time we get to the end of the recession, where will the buildings be to house the new industry that we will need to prosper?

[Lorely Burt]

The Government amendment refers to the deferral of the small companies rate of corporation tax. That is a big deal, but why did the Government raise it in the first place? They are saying, "We will tax you more, but we will leave it a little bit longer before we do in the hope that you survive long enough to be able to pay." Well, thanks very much indeed, Mr. Chancellor—that is really big of you.

Small business rate relief is welcome, but even more welcome for the Chancellor is the fact that the Government still get most of the revenue. It is a great gesture, but it does not have the Heineken factor. It does not reach the companies that other initiatives cannot reach because it is not automatic. If the Government are serious about helping the smallest, most vulnerable businesses, they could make that change at a stroke, and I am delighted to hear from the hon. Member for Bromley and Chislehurst (Robert Neill) that there is a glimmer of hope from the Government on this matter. I hope that there will be an announcement to that effect in the near future.

The amendment mentions other matters, such as the backdating of rent increases for businesses based in ports, which has been discussed at some length. I do not believe that the Government understand what the measure has done to business confidence. How can a business consider with enthusiasm investing in the United Kingdom when the playing field on which it thought it was operating is suddenly turned upside down and it is landed with retrospective rates? Indeed, we have heard that companies are actively considering pulling out of ports. Although the eight years to pay is welcome, the principle has been damaged. The message that the Government are conveying is the worst possible to potential investors.

Let us consider the latest cause of worry for business and examine two factors that the hon. Gentleman rightly called a double whammy: the abolition of transitional rate relief combined with an average 5 per cent. increase in business rates. Scrapping transitional rate relief will cost business an estimated £100 million. The scheme is due to be implemented on 1 April—April fool's day. Unfortunately, tens of thousands of businesses will not appreciate the joke, but I am delighted to hear from the Minister for Local Government that there will be new transitional arrangements. Will they be in place for businesses from 1 April so that the horror that some businesses in the United Kingdom face will not be realised?

The second element of the double whammy is pushing ahead with business rates at a 17-year high increase of 5 per cent. at a cost of £1.15 billion to business. The retail prices index today stands at 0 per cent., but business rates will be increased by more than 5 per cent. If any member of the Government perceives logic in that, I would be grateful for an explanation. I know that the rates are normally calculated from the RPI in the previous September, but the Government have shown themselves able to act swiftly in announcing new initiatives when crisis measures are needed.

We must also consider the impact of the revaluation, the implementation of which the Conservative motion asks to be delayed. Some businesses might benefit from the revaluation, and I am glad that the Minister said that some sort of phased transition could be an alternative to delaying it. Of course, we must do something.

Paul Holmes: Does my hon. Friend share the anger of businesses in Chesterfield, which recently contacted me? First, there is the shock of the 5 per cent. business rate increase when inflation is so low, then they find that it is nothing to do with the local council, but all imposed by central Government, to whom the money is sent off, with only 25 per cent. returned to Chesterfield. They do not even get the benefit of its being spent on the town centre in Chesterfield to improve its attractiveness to businesses.

Lorely Burt: Indeed. That is the reason for our policy of returning the ability to determine the rates to local authorities. We understand that there must be some sort of redistributive mechanism to take account of more and less wealthy areas, but the complete dislocation of the payment from what local authorities receive is unhelpful for local authorities and business.

To continue the Starship Enterprise theme, if a tourist group of aliens visited Britain today, I wonder what they would make of it. "So let me see," they might say—they have west midlands accents, by the way—"business funds the economy, which pays for everything. This country is in the worst recession in human living memory, but the Government are not only putting up the taxes that businesses pay on their premises, but making it doubly hard for businesses, by removing the smoothing mechanism that, until things got really bad, helped them to manage the increases in their payments. The Government think that business activity is going to shrink by more than 3 per cent. and that there'll be more than 3 million unemployed by the end of the year. Hmm, and the Government are really unpopular. Well, we don't need our superior intellectual powers to work that one that." That is hardly the way for the Government to live long and prosper, is it?

The Conservatives are hardly the ones with the answers. The only policy that I can detect is the business loan guarantee scheme. I have listened in vain for new policies and for their announcements of help for business. No fiscal stimulus, no tax support—as the Minister said, the Conservatives are short on solutions. However, the main Liberal Democrat response has to be: "Not good enough, Mr. Chancellor. We'll be voting with the Conservatives on this occasion."

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. Mr. Speaker originally put a 15-minute limit on Back-Bench speeches, but as we now have so little time left, I propose to reduce that to seven minutes, which applies from now on.

6.1 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I wish to speak exclusively about port rates, so far as they affect my constituency and the Humberside port. A serious situation is developing that will create a mess in the ports, thanks to the inefficiency, the failures and the understaffing of the Valuation Office Agency. It is an institution that combines quite horrendous powers, such as the imposition of retrospective rates, with crippling inefficiency, rather like Her Majesty's Revenue and Customs.

It was decided in 2000 to end prescriptive rating of the statutory ports and to replace it with individual rating of port businesses, which was to be introduced in 2005. The Minister said that people should have known

that that would happen, but so should the Valuation Office Agency. It should have had the valuations prepared for 2005, when individual rating began, but it did not. The result was that port businesses continued to pay rates under the old system, which was the cumulo system, whereby the rent on the property paid by the operator included the rates, which were then paid by the port owner—Associated British Ports in Humberside—to the local authority.

The Government's little homily—that not having individual rating of the port businesses would disadvantage other competing businesses—is therefore so much nonsense. They are asking businesses to pay rates twice, because the cumulo system continued up to last year. That means that if port businesses are to be charged retrospective rates as well, they will be charged twice, which is not exactly a system to advantage businesses in the ports.

Meanwhile, like Rip Van Rating, the sleeping Dutchman, the Valuation Office Agency woke up in 2006 to the fact that it needed to reassess all those businesses. However, it did not do so until 2008 in many cases. In 2008, businesses in Humberside were getting big new assessments and, both this year and last year, a demand for retrospective payments of three and a half years of rates on those big new assessments. That is crippling. Those businesses cannot make the money back by making charges on the transactions that they completed over the past three and a half years, so how are they to pay those big retrospective rate bills?

What has happened is unjust, unfair, incomprehensible and any other adjective that one might care to use—I have not had time to go through the thesaurus, but there must be lots more adjectives that describe that monstrous procedure whereby businesses are being asked to pay two sets of rates, one of them retrospectively, on a big scale. What is so farcical about the situation is that Ministers have gone to ABP, the port owner, which has received rebates on the rates that it paid on behalf of other port businesses, and asked, "Please would you give this money to the port businesses that paid it in the first place?" and ABP has said no. That is ludicrous and double impotence on the part of the Government. They tell us that they cannot stop retrospective rating, but they also tell us that they cannot get the money back from ABP that was paid in rates in the first place. It is like a chorus of castrati—double impotence all over the place! It is just not good enough for Ministers to be telling us that there is nothing we can do in this ludicrous situation to get the money back to the people.

The Government tell us that they cannot get the money back retrospectively without changing the law. Well, I have not noticed that we are overwhelmingly busy in this place, passing legislation every day, with a frantic legislative programme. There is plenty of time and space: the Opposition have said that they will support it; the Liberals have said they will support it, so what is holding us back from doing what is obviously necessary? I cannot accept the Nuremberg defence that we are only obeying orders and must do this.

Next week, we will be debating orders to provide for the eight-year payment scheme, which is itself an aid to industry that the Government claim they cannot give by abolishing the retrospective rating. We will have to make a decision. If we reject it, it will put port businesses in a mess, as they will have to pay immediately, but it will also put the Government in a mess, as they will have to decide what to do about the situation.

I am intellectually puzzled and mystified as to why we are doing this and persevering with it, although I am delighted to see that the Opposition have taken up my solution, which is to scrap what has gone before, begin over again in 2010 with new assessments that year, and forget the whole business—putting it down to the inefficiency of the Valuation Office Agency, which caused the problem in the first place. Why do we not do that? It could be that we want to give a good campaigning issue to the Opposition; they are not doing particularly well in the polls at the moment. It might be that they will benefit from this exciting issue. At this stage of the electoral war, we might need a futile gesture—but I do not know; I am not master of the political science behind this issue.

I ask my right hon. and hon. Friends, and particularly Treasury Ministers, whether they want to hit small and medium-sized businesses at the docks when we are trying to help small and medium-sized enterprises. Do we want to bankrupt port businesses when we are trying to develop an export drive based on the competitiveness given to our industries by devaluation? Do we want to put port employees out of work at a time of rising unemployment? Do we want to cripple ports that are big business—certainly in Humberside, and we rely on them—and drive business elsewhere, perhaps to Europe, perhaps to other British ports, or perhaps put them out of existence?

If my right hon. Friends want to do all that, I say that they should persevere and carry on: let us go ahead and watch the payments coming in, if they do come in, month by month, and watch the businesses go bankrupt month by month. If they do not want to do that—and I hope no Labour Ministers are that daft that they do not want to change this incomprehensible system—then for heaven's sake change it, and act quickly.

6.8 pm

Peter Luff (Mid-Worcestershire) (Con): You can get a better class of metaphor in Grimsby than you can in Solihull, Mr. Deputy Speaker. It is a great pleasure to follow the hon. Member for Great Grimsby (Mr. Mitchell), but I am not sure that Ministers appreciated the metaphors that were directed at them. If I am right, they were not meant personally.

I had hoped to talk a little about the local situation in Evesham and Droitwich in my constituency in order to illustrate the broader national points, but time is against me and I approve of the reduced limit so that others can enter the debate. Let me just say, then, that business rates are surprisingly important to business. We must not lose sight of that.

The Forum of Private Business did a survey this month of 6,000 small firms. When asked what were the most important issues facing them, 65 per cent. of respondents said that it was restoring business confidence. The second most important issue, mentioned by 63 per cent., was restoring consumer confidence. The third, at 59 per cent., was business rates. What rather surprised me was that access to finance and the cost of finance came in 11th and 12th respectively at only 35 per cent. and 29 per cent. Clearly, we are not discussing a side issue in the economy; we are talking about a central issue for small and medium-sized businesses in particular.

[Peter Luff]

This issue is particularly important for one simple reason of which we must not lose sight: business rates have to be paid in full and on time irrespective of the state of one's business. They cannot be cut or negotiated; the rates are a given. It may be possible to negotiate over staff and rents, or perhaps with suppliers about long-term credit. There are all sorts of things that can be done—cutting electricity bills by using less electricity, for another example—but the rates bill is a given, and it was the third largest cost, as well as the third highest priority, after staff and rents for those businesses.

Three weeks ago at Prime Minister's questions, the Leader of the House, standing in for the Prime Minister, said:

> "Opposition Members have a choice: they can either say to their constituents that there is no help and that nothing can be done, and wring their hands, or they can work to support businesses and bring schemes forward."—[*Official Report*, 4 March 2009; Vol. 488, c. 845.]

I have to say that I was rather disappointed by the remarks that the Minister for Local Government made in his opening speech, as he seemed to echo the idea that Conservative Members are suggesting nothing. I was sorry, too, to hear the Liberal Democrat spokesman, the hon. Member for Solihull (Lorely Burt), say the same thing. It is just not true.

We have suggested a list of initiatives and the most powerful of those is the national loan guarantee scheme. If it had been embraced by the Government—we suggested it in November—business would be in a much better situation. The Government have brought forward partial schemes, one of which, the working capital scheme, is still not even in place, but we have suggested reform of the financial services sector, action on council tax and action on savers—a raft of specific, well-targeted measures that would make things better. I reject absolutely the suggestion made by the Minister, who has fallen below his usual high standards in repeating that old canard.

For my part, I have tried to do something on small business rate relief with my automatic payment Bill, which was debated in the House on 6 March. I have been in constructive discussions with the Minister and his colleague, the Under-Secretary of State for Communities and Local Government, the hon. Member for Tooting (Mr. Khan). I withdrew the Bill at their request because negotiations seemed to be going on elsewhere in the Government. I hope that we hear in the Budget that action will be taken on this measure, because it could make a big difference for many small businesses. I emphasise that the Bill involved only a 50 per cent. discount for companies with small rateable values and small numbers of properties, but it would give them what the law entitles them to. Half of eligible businesses are not claiming what they are entitled to, which I think is wrong.

My Select Committee, as part of its inquiry on post offices, recently went to Wales to see the work that the Welsh Assembly Government are doing. It sticks in my throat a little to say it, but the work that they are doing in this respect is excellent, not only in automatic rate relief for all small businesses within a slightly less generous scheme, but in 100 per cent. rate relief for all small post offices. That is an excellent idea, because those small post offices are some of the most vulnerable and most important businesses in deprived urban and rural communities. That is another suggestion that we should consider embracing in England. Those small sums of money could make all the difference. So often in the House we talk about billions and trillions, but hundreds of pounds can be the difference between survival and failure for so many of the smallest businesses in our land.

My measure is supported by a bewildering array of organisations, including business organisations and, above all, the Local Government Association, which recognises the difficulty in getting all those small businesses to apply for the relief to which they are entitled. It wants them to get that relief, because it recognises that local authorities will have less work to do in picking up the pieces when companies go bust—doing the Government's dirty work for them, chasing business rate bills that are going unpaid. Local authorities believe that it is in the interest of their communities for the Bill's provisions to go into law and for rate relief to become automatic.

Ministerial objections have been raised. Ministers say that it would be difficult for local authorities to implement the measure, but local authorities do not agree. The risk of payment being made to ineligible people has been raised, but I have proposed measures that would deal with that comprehensively and effectively. Increased costs for larger businesses have been mentioned. I understand that, but such costs would be nugatory and what they were paying anyhow a couple of years ago. Small businesses, which are the most vulnerable businesses in our society, have a right to expect that from the bigger suppliers, which often do not treat small suppliers with the dignity, respect and commercial sense that they ought to.

Bizarrely, the Minister offered the idea that not so many companies as we thought are not receiving the relief, but that is an argument for proceeding, because the cost would be cheaper. In the House of Lords last week, Baroness Andrews suggested that putting the measure in place would in some way prevent the Government from doing other things to help small businesses. I really do not understand the logic of that argument and would love to have a private chat with the Minister about what she meant.

The sum of all small things is a big thing. I am suggesting a small thing, but business rates are a big thing for businesses. The opportunity to deal more broadly with the issue was squandered with the VAT reduction. Forget the arguments about the merits of a fiscal stimulus. That £12.5 billion could have been used so much better to address this problem, protect jobs and protect businesses. We now know that 98 per cent. of Federation of Small Businesses members and 83 per cent. of Forum of Private Business members say that the VAT cut has had no beneficial impact whatever on them.

Anne Main (St. Albans) (Con): I thank my hon. Friend for giving way on the point about VAT, because every single one of my businesses that attended my small business summit, with help coming from the chamber of commerce, said that not only is the cut having no impact, but that in many cases it is costing them money. It is having a negative impact, if it is having any impact at all. It is not beneficial.

Peter Luff: I am glad that I gave way to my hon. Friend. She is absolutely right: small businesses are paying a very heavy price for the VAT reduction. It is doing them harm, not bringing them benefit. Even bigger members of the British Retail Consortium have complained about the bureaucracy and cost involved in its introduction, and are very worried about the timing of the return to a 17.5 per cent. rate during the winter sales period. They are pleading with the Government at least to delay it for an extra month. Today's newspapers are full of stories about retailers quietly putting prices back up this month in order to put the VAT cut on their bottom line instead, thus restoring their margins. It is possible that 70 per cent. of the rate reduction was being passed through, as the Minister said in his opening speech, but I think he will find that that is changing quite fast.

The priority for the last fiscal stimulus should have been businesses, not consumers. There are many things that it would be good to do, but can we afford to do them now? The Governor of the Bank of England says that we cannot, and I have to say reluctantly that I agree with him, but when it comes to business rates, can we afford to stay where we are? The Government are in a mess that is entirely of their own making, but I plead with them to stop digging and at least to do the smaller, cheaper things that they can do irrespective of the wider fiscal situation in which they find themselves, such as providing automatic rate relief for small firms. Even now, they could cancel the VAT cut immediately and use the money saved to bring about real change that will save jobs and businesses.

6.16 pm

Mr. David Kidney (Stafford) (Lab): It is a pleasure to follow the hon. Member for Mid-Worcestershire (Peter Luff). I am only sorry that I was not here on the Friday when his private Member's Bill was debated. He put forward an excellent idea, about which I shall say more in a moment.

Today's debate had not been proceeding for long before the first hon. Member mentioned that today was a quarter day. Businesses large and small in high streets up and down the country are being asked for three months' rent, which for some is the last straw that will break the camel's back. It was reassuring to hear the trade body for British property managers say today that it recommends its members do all that they can to help people to pay their rent, which includes accepting payments monthly even if they are legally entitled to payment for the full three months. I hope that we shall all watch property managers assiduously to ensure that they are being as reasonable as they can be to businesses that might otherwise be struggling. As the hon. Member for Bromley and Chislehurst (Robert Neill) pointed out, if that does not happen we shall see more and more gaps opening up in our high streets, which would be very damaging to local businesses as a whole.

Last Friday I met members of my local chamber of commerce for one of our regular discussions. The issues that they raised with me were the continuing difficulty of obtaining credit from banks and a reasonable performance by Her Majesty's Customs and Excise, in most cases, in allowing time for taxes to be paid. They also made a point that has been made today about prompt payment of bills. They said, "If only people would adhere to the terms and conditions and pay within 30 days as they are supposed to, that would benefit us greatly." They drew attention to the huge purchasing power of the public sector in procurement contracts, and pointed out that much more could be done locally in terms of goods and services, food, and printing and advertising. Stafford contains the local council's administrative headquarters, a prison, a university, a police headquarters and several hospitals. All those are huge players in their procurement power.

Of course, members of the chamber of commerce mentioned rates. They were still very annoyed about the business rates on empty properties. I was nervous, even in a rising market, about the implications of those. I saw the argument—in a rising market—in favour of trying to put pressure on people not to leave properties standing empty, but to reduce their rents if necessary in order to obtain tenants. It was a reasonable argument in a rising market, but the market in property prices has now collapsed. The least that the Government can do is provide what they have announced so far—a temporary relief that will benefit around 70 per cent. of properties—but my first Budget representation in this debate is that we need to go further. I think that we should preferably provide a complete temporary relaxation of the tax, but, if we cannot do that, we should certainly do something that will benefit more than 70 per cent.

I appreciate how difficult the Government's finances will be when it comes to the Budget. If anyone was in any doubt about that, their doubts will have been dispelled by the Governor of the Bank of England yesterday. However, this is an important issue, which is why I have made my representation.

Mr. William Cash (Stone) (Con): I, too, have been having meetings with Stafford chamber of commerce, as I am sure the hon. Gentleman will be aware. We had a very good meeting today with the Under-Secretary of State for Business, Enterprise and Regulatory Reform, the hon. Member for Dudley, South (Ian Pearson), and with other Members of Parliament, regarding many of the questions that have been raised. Will the hon. Gentleman go so far as to endorse our motion, or will he vote with the Government?

Mr. Kidney: Well, the hon. Gentleman can see how I vote later on. As a Labour MP, I support the Labour Government, but I am making my views about what I think should be done in next month's Budget very clear.

The small business rate relief is a benefit for many small businesses. Sadly, however, not enough of them even know that it exists, or how to apply for it. A lot has been done to notify people that they can claim and to make it easy to claim, but many still do not do so. That is why the Bill promoted by the hon. Member for Mid-Worcestershire was a good measure, and my second Budget representation today is that that relief should be automatic. Beyond that, local authorities have a discretion to grant business rate relief in any other circumstances where there is hardship or another statutory provision allows them to do so. Some of the cost of giving the relief falls on the local council, which makes it difficult for it to give that relief, and the rest falls on the business rates pool generally.

I think local authorities should by now have in place their strategies for responding to this crisis of the business recession and difficulties in keeping people's jobs going, and

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they ought to have a strategy for giving relief where they possibly can. In my area—Stafford and Staffordshire—we recently benefited from the release by the Government of the last of the LABGI money. I am grateful to the Government for releasing that money. In Stafford and Staffordshire together, it amounted to more than £1 million extra. I have made my representations to the two local authorities that there is a pot of money, which they had not been expecting when they set their budgets, that can be used as part of a strategy for helping businesses that are asking them for help. So there is a possibility that help can be given.

I know that we are under time pressure in this debate, but I just want to mention that the LABGI scheme in my constituency has been extremely beneficial for all three years. Every year Stafford has performed well in new businesses starting up and the council benefiting from LABGI. We are one of the best performers in the whole region in gaining that money. As the west midlands has a lower than national average gross value added—GVA—such an initiative to help councils to help businesses to start up is very beneficial. I know that my right hon. Friend the Minister for Local Government is aware of that, because he was in Stafford last week, but I wish to point out that the local county council froze the rents on its enterprise units this year, again to try to help small businesses through the recession.

A big procurement contract that is possible all over the country right now is Building Schools for the Future. It has come to Staffordshire, and anything that the Minister can do, along with his colleagues in the other Department that is responsible for that project, to make sure that contracts are let in ways that enable local businesses to benefit as much as possible from them, will be very beneficial. In Stafford town centre currently, the county council has a project at Tipping street for a complete new building for the council and local retail units. Given all the construction workers in my constituency who have come to see me because they are out of work, that is clearly very valuable.

My final point is that the number of people going through the door of the jobcentre in Stafford has doubled in a year. This is a time of great pressure on the staff who work there, and they are doing a tremendously good job. Whenever a job cannot be found for someone, there is always pressure for training, training, training. Any initiative to get people into training is very valuable. I noticed one this week from universities called "Enrol for free" for people in receipt of jobseeker's allowance. That is a very useful tool, which I hope we will see more of in the coming weeks and months.

6.24 pm

Andrew Selous (South-West Bedfordshire) (Con): I shall be brief because I know that time is short. I represent an area where, sadly, the unemployment figure is considerably higher than it was when my party left office in 1997, there are many empty premises and, throughout the constituency, only 160 job vacancies are advertised through Jobcentre Plus. The issues that we are discussing are crucial because the one thing I do not want to see is that unemployment total going even higher, and I fear that unless we do something about business rates, among other issues, it will do so.

I make no apology for running through some specific concerns about business rates that have been raised with me directly by local businesses. One small business woman came to me not long ago concerned about how the valuation office had come to her shop and done a quick zap with a laser gun; although the people had been there for only a couple of minutes, a few days later she got a bill for an extra £900. She complained to me that no account had been taken of local conditions.

A business man whose business is close to that lady's said—I raised this with the Minister earlier—that his business is paying the same amount as is being paid on a much larger building opposite. A firm has offered to challenge that situation, but it will take £800 to do so. The Minister has said that a procedure involving tribunals is available, but it is complicated and it costs money; it is a bit like saying that a judicial review is open to everyone—it is not if it costs money. There are thus some issues to address regarding fairness.

Someone from a small engineering business has complained that her business is not eligible for the small business rate relief because it was registered only in June or July, and was not on the register on 1 April. I would like some of the £12.4 billion that the Government have wasted on their VAT cut to be put towards helping businesses that just missed the deadline by a couple of days, because that would have been more helpful. I would also like some of that VAT money to have helped another business, which told me that its rateable value was £15,500. That is £500 over the limit and thus the business is not eligible for any small business rate relief. I would have used some of the £12.4 billion to introduce a taper and help businesses that find themselves just over that limit. The couple involved have worked hard setting up this business, they employ people locally and they fear that the business will not be around much longer.

The Government are always telling us about the initiatives that they have introduced for business, but I wish to read a quote from a local business person in my constituency, who said that she had contacted the valuation office. She stated:

> "I am not going to hold my breath as we have had so many government leaflets, brochures and advertisements about how to save your livelihood during this credit crunch but to be truthful not a lot of practical help is available and the money spent on all that paper work and people"

could be better used. Those are not my words; they are the verdict of a local business woman on what the Government have done. Something on business rates would be practical, it would help cash flow and it would be much more use.

The central point I wish to make to the Minister is that I do not think he or the Government have grasped the fact that many of these small businesses will not be around to pay business rates in future unless we do something now. We all understand the arguments for a sustainable tax take to pay for decent public services in the years to come, but unless we do something now the base of businesses that there will be to pay business rates in the future will be severely diminished. Something needs to be done urgently—even if the relief is only for a year or two—and I would have used some of that £12.4 billion that the Government wasted on that VAT cut. They did that when we already had discounts of 70 per cent. or so in our shops and businesses, as my

hon. Friend the Member for St. Albans (Anne Main) pointed out to the Prime Minister and others very eloquently.

Of course, I back the automatic small business rate relief and, as an Englishman, I find it preposterous that it is available in Wales but not to businesses in my constituency or throughout the whole of the United Kingdom. Let us have a bit of equity. I would like to know how the Welsh got this without our getting it, as would some of my local small businesses.

My party has very practical proposals to ensure that local councils could keep any increase in business rates over and above what they were expecting to receive for a six-year period. That would give local councils an incentive to get more businesses into their area—there has not been enough incentive, and not enough of our local councils are hungry to attract extra businesses to their area. That proposal is a thoroughly good one, as is our proposal to allow councils to provide discounts on business rates, provided they could make up the income foregone or reduce costs in other areas. Those are practical measures; they are local solutions for local areas, and that is entirely sensible. Of course, these go alongside the proposals that we have made for a national loan guarantee scheme, cuts in corporation tax for small businesses, cutting the national insurance contributions for some of the smallest businesses, and deferring VAT bills.

I have to express my own reservations, echoed by a business man in my constituency to whom I talked last week, about the loading of taxes on empty premises. What is the point of destroying our stock of business premises? It is the seedcorn for future jobs and that has not been a good move.

6.30 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): Shortly after university I started a small retail company. It is still going, and I remain a director, so I declare that interest as recorded in the register.

The full title of this debate is "Implications of business rates and the recession for businesses", and I am very pleased that the Economic Secretary will reply to the debate, because he and I both represent constituencies in the black country. In fact, Walsall is the centre of the Black Country chambers of commerce. Aldridge-Brownhills reflects many of the issues that are at the heart of this debate and will be so for many an industrial town.

The transition to the uniform business rate took money away from industrial areas and distributed it to other areas. I see that my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) is in his place, and he knows the Birmingham area well. Walsall lost £5 million from the change from the old business rate system while Worthing gained a great deal of money. I do not know the circumstances of Worthing, but the argument was always that the dereliction and the industrial illnesses that followed industry were compensated by the fact that the towns set an industrial rate for their area—localism, perhaps.

The UBR went through the House easily, and the property industry was slow to pick up on what it actually meant. The costs lie at the heart of the unemployment issue, and that is a serious charge. The Economic Secretary will remember the early 1980s, which saw almost the collapse of large-scale manufacturing industry in the west midlands—it was not the only part of Britain in which that happened, and there were reasons for it. So severe was that collapse that the Government of the time created rate-free industrial areas, which meant that factories could be built there without having the burden of rates. That is how serious it was.

Some people are now predicting that unemployment will rise to 3 million, and possibly more. That would be worse than the unemployment of the early 1980s, but the Economic Secretary will remember the vast areas of dereliction that followed when companies were forced, before the scheme came in, to demolish buildings. The pious and the wise said that they were old buildings anyway and it was just as well to get rid of them, but they were the source of much employment. I think it was Lord Heseltine who came up with the idea of designated business-rate free areas. There was one in London and one in Liverpool, and the west midlands definitely had one. That shows the severity of that recession.

Now we face a different problem. Many areas are hurting, such as recently built shopping malls, where properties are rated at the highest end of the rentable market, invariably with clauses that say the rents can only go up. No one should think that employment in retail is negligible in this economy; it is in fact significant and substantial. These shopkeepers include some large companies. We saw Woolworths go—we can wave that goodbye—but a lot of people were employed by that company and it provided employers' national insurance at 12.8 per cent. while the employees paid nearly 10 per cent. too. Those revenues to the Government sustain employment, and so the increases are very worrying.

I shall give an example of a building that is designated new build, although it was a very elegant refurbishment, in central London. I can talk about this from personal experience, so it is not a vague or illusory illustration. The rent for a less than 5,000 sq ft shop in a central London borough is £270,000, set in 2004. The uniform business rate for the same shop, last year, was £124,740. That is what is confronting many a small business. This business employs about 60 people, some of them part-timers and all of them paying national insurance contributions while the employer pays the employers' national insurance contribution. That is a huge sum for that business to pay, yet it is providing employment in these dire times.

Today, I walked from Tottenham Court road to see what has happened there. At one time, the area was the centre of London's book trade, but now there are empty shops and fast food outlets. That is where we are getting to. I urge the Government to take seriously the employment side of all their equations and to think about what is happening. The uniform business rate and the nearly 50 per cent. multiplier of whatever the rent is are what kills the prospects for many companies and thus the employment of many people.

6.37 pm

Mr. Brian Binley (Northampton, South) (Con): I have a quick and simple message for those on the Government Front Bench. I want to concentrate on the plight of small business and to make the point that it is in serious trouble, much of which is due to this Government. The Government are doing lots of things not very successfully because they did not take into account the

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fact that they had to administer and manage their projects. Also, I want to say that they could have seen rates as a real way of putting capital into local business, but they failed to understand that. The difference is that loans must be paid out, but rates, if the Government wish to offer relief, do not have to be taken. That was the major point that I wanted to make.

There are a number of Government schemes—I have all the figures here—but they are not working. It is very simple. Business rates in the UK are three times higher than those in any other European country and higher than those in the USA—what a millstone to put around the necks of our businesses. The Government could have helped by ensuring that there was real relief for small business, but that has not happened. My hon. Friend the Member for Mid-Worcestershire (Peter Luff) has proposed an action that I hope the Government will take up, but we have not yet heard that that will happen. Perhaps we will tonight.

Finally, the Government have decided that they will go ahead with a 5 per cent. increase in business rates. At this time, that is sheer madness, and I hope that even at this late stage they will rethink and will give small business some hope by saying that they have decided to use the present rate of inflation, at the very least, rather than the rate that was relevant when they decided to levy a 5 per cent. increase on business rates. I hope that they will change their minds.

6.39 pm

Mr. Mark Prisk (Hertford and Stortford) (Con): This debate has been short, but timely. It has shown that the Government's policies on business rates are causing real harm.

We began with an excellent contribution, as one would expect, from my hon. Friend the Member for Bromley and Chislehurst (Robert Neill), who brought to bear his characteristic charm and tremendous experience in the field. I thought that he exposed very neatly the weaknesses in the arguments over ports, and in the other issues raised by hon. Members on both sides of the Chamber.

We then had a characteristically generous contribution from the Minister for Local Government. I confess that I have soft spot for him, as we spent more hours than I care to remember in Committee Room 10 debating the Finance Bill. He has always been what he was today—the defender of the indefensible—and he was on particularly good form this afternoon. I noticed that he struggled a bit when the googly came from his own side, in this case from the hon. Member for South Derbyshire (Mr. Todd), but he did do one very important thing: he put it on the record, I believe for the first time, that the Government are committed to reducing the poundage and therefore the burden of business rates if the retail prices index is negative in September. We look forward to holding the Government to that commitment.

We then had a contribution from the hon. Member for Solihull (Lorely Burt) that was literally from another planet. It was a fascinating run through "Star Trek" and, I think, "Titanic". I suspect that the ending was nearer that of the latter movie than the former and, being a gentleman of a certain age, I thought that the metaphor was perhaps a little stretched. However, the hon. Lady is often right about these matters, and she made a good point about there being a genuine cost to small businesses.

The hon. Member for Great Grimsby (Mr. Mitchell) made a contribution, and then we had an excellent speech, as one would expect, from my hon. Friend the Member for Mid-Worcestershire (Peter Luff). He was concise but thoughtful, and he set out the key arguments about why we need to look at making small business rate relief automatic.

The hon. Member for Stafford (Mr. Kidney) made an excellent contribution, and his remarks were intelligent and balanced. I was pleased to see that, like the Minister for Local Government, the hon. Gentleman indicated his support for making small business rate relief automatic. We look forward to them joining us in the Division Lobby, should the opportunity arise.

My hon. Friend the Member for South-West Bedfordshire (Andrew Selous) made an excellent contribution and, as he often does, he highlighted the human cost of failed Government policies. He did that in an extremely powerful manner, and he quoted a constituent of his who said that the problem with the Government is that there is not a lot of "practical help", and who wondered why the money could not be used better.

Finally, my hon. Friends the Members for Aldridge-Brownhills (Mr. Shepherd) and for Northampton, South (Mr. Binley) both made strong and excellent contributions. Both have always fought the corner of small firms and, although my hon. Friend the Member for Northampton, South made a short speech, it was as effective as ever. I hope that the Economic Secretary to the Treasury was listening to what my hon. Friends said, and that he will answer the points that were raised when he replies to the debate.

As you know, Mr. Speaker, Ministers' press releases regularly claim that they are providing real help for businesses, yet the view of business is that it is all talk and no action. For example, the Government's amendment talks proudly of their flagship working capital scheme. It was announced eight weeks ago as the centrepiece of Government proposals, and it was meant to provide £20 billion of loan guarantees from 1 March. However, it is nearly 1 April now, and not a single company has benefited financially from the scheme.

Or what about the automotive assistance package? Promised in November and launched in January, it was valued at £2.3 billion and we were told that it would provide "real help" to the car industry. What has happened? How much of that money has reached businesses? Well, according to the answer from the Minister and despite all the talk, not a single loan guarantee has been issued yet.

Since the fall of Lehman Brothers last September, it has been clear to everyone that urgent action is needed, both in the banking system and to deliver working capital to the rest of the economy. That is why Conservatives set out a plan last November for a single, national loan guarantee scheme that would help viable businesses of all sizes and in all sectors. It would be simple, easy to access and of course easy to understand. As several Members pointed out, had Ministers taken our advice then the scheme would now be up and running, helping businesses through the recession.

Despite Ministers' protestations that somehow the Opposition have nothing else to offer, the truth is that we have proposed a number of schemes, as my hon. Friend the Member for Mid-Worcestershire rightly pointed out. Payroll taxes for the smallest employers should be cut by 1 per cent. Small company corporation tax rates should return to 20p in the pound.

As we have heard from many Members, rising business rates are causing real problems. When I meet businesses, as I am sure other Members do, one of the critical questions that is always raised, especially in small businesses, is about rates. The reasons are simple. First, firms pay out thousands of pounds in bills but they receive nothing directly in return. The hon. Member for Solihull was right to make that point.

Secondly, business rates are a fixed overhead. They remain the same in the good years and the bad, so when the economy shrinks business rates hurt all the more. That is why we believe that the Government's rates policies cause serious damage. After all, what is the sense of imposing £1 billion of extra business rates on empty property just as we head into a recession? Why compound the problem with up to £600 million in supplementary rates? It just adds insult to injury.

We heard a powerful contribution from the hon. Member for Great Grimsby about how the Government's policies on ports damage those enterprises. Without consultation or proper economic assessment—as the Minister admitted—the Valuation Office Agency issued new bills to each separate occupier. Those bills are retrospective and reach right back to 2005. As we have heard, the result could be ruinous for port businesses across the country; from London to Liverpool, from the Humber—it was nice that one of its representatives, the former Deputy Prime Minister, could join us, albeit momentarily—to other ports such as Falmouth in Cornwall.

Mr. John Gummer (Suffolk, Coastal) (Con): I represent Felixstowe, which is a major port. Is not the problem that the tax is retrospective, so no one could have taken it into account? No business can operate in that way. Is it not another example of the fact that nobody in the Government seems ever to have run a business, so they do not understand that such measures damage businesses irretrievably?

Mr. Prisk: My right hon. Friend is absolutely right. He shows his business experience. If people are not advised in advance, they cannot plan. Despite all the Minister's protestations at the Dispatch Box earlier, the simple truth is that time and again the Government have shown themselves economically illiterate. I am afraid many businesses feel that is representative of all Ministers in whatever Department they happen to sit—although it is nice to see the Economic Secretary on day release from the Treasury. We look forward to his contribution. I hope that he will be able to improve the standard of economic literacy.

I shall be honest. The Chancellor has made a concession on the issue, but his decision to let firms pay in instalments completely fails to tackle the problem in company law. It was touched on by the Minister, but the result is that the huge tax bills will still count as liabilities and could thus in some cases make firms insolvent. I conclude on that topic with the questions the hon. Member for Great Grimsby asked of his own Government—I am sorry he is not in the Chamber at the moment. Do we really want to cripple ports? Do we really want to put people out of work? I hope that the Economic Secretary will answer his colleague's questions.

It is not just the ports that are suffering. As we heard from my hon. Friend the Member for Bromley and Chislehurst, the majority of councils have already reported that firms are struggling to pay their business rates, with small firms most at risk. Worse is to come. Over the next few weeks, thousands of firms will face a double whammy when rate bills rise by 5 per cent. and transitional relief ends. As several Members mentioned, the annual uplift of 5 per cent. is based on last September's retail prices index, yet, as we have also heard, that month's figure was a 17-year peak and is in sharp contrast to RPI today, which stands at zero. The cost? For business, it will be £1 billion. The cost in jobs will be equally grim.

The uplift comes just as transitional relief from the last revaluation ends. That unhappy combination means that for some firms, the increase in their rates bill will be enormous. We have today heard of increases of 30 per cent., 100 per cent. and, in some cases, perhaps over 500 per cent. Retailers alone face paying an extra £250 million—a sum that they can ill afford, given the difficult state of our high streets. As my hon. Friend the Member for South-West Bedfordshire pointed out, it is often the smallest firms that hurt the most. In London council areas, the typical local newsagent faces a rise of £400 to £500; many of us can relate to that situation in our constituencies. For some small firms, that is £500 that they simply do not have. Of course, the arrangements for transitional relief and for the annual uplift have been in place for some time, but that makes it all the more puzzling why Ministers who profess their wish to help have stood idly by and, in the Prime Minister's phrase, done nothing.

The same question hangs over small business rate relief, which was introduced in 2005. It provides up to 50 per cent. relief from business rates on premises worth up to £15,000 outside London. As such, it rightly seeks to help the smallest firms, yet last year it became increasingly clear that many firms were not claiming the relief. The Federation of Small Businesses estimated that up to half of eligible businesses were missing out, and many Members mentioned that we are talking about a potential saving of £1,100 each year. Although there were wide variations in take-up, it is clear that many businesses were either unaware of the relief or deterred by all the red tape and bureaucracy.

For that reason, last year we put on our party website a very simple ready reckoner that would make the system simple and easy. That is the crucial reason why we want to make sure that the rate relief continues. Since then, of course, my hon. Friend the Member for Mid-Worcestershire has introduced his excellent Bill. He is right to raise points on the subject, and to question the Minister. I hope that the Minister will reply to those questions in his speech.

To conclude, I have no doubt that Ministers wish to help, but when it comes to business rates, their policies are causing harm, not helping. Instead of helping retailers, they are taxing them another £250 million. Instead of promoting trade, they are retrospectively taxing our ports. Instead of keeping costs down, they are adding another £1 billion to rates bills, just as the recession bites. To cap it all, those poor souls who see their business fold will find that there is another £1 billion in

[Mr. Prisk]

tax on the properties where they once worked. There is a growing gap between ministerial rhetoric and the reality for businesses on the ground. My fear is that as a result of the gap between Ministers' words and deeds, hundreds of firms and thousands of jobs could yet be lost.

6.52 pm

The Economic Secretary to the Treasury (Ian Pearson): Today's debate demonstrates the strength of feeling among all Members of the House about the importance of small businesses to the UK economy. We know that small businesses employ more people than any other kind of businesses in the private sector, and that there are a record 4.7 million small businesses in the country today. The UK business environment is recognised as being among the best in the world.

Given the limited time that I have to respond to the debate, it is clear that I must focus on some of the major issues. My hon. Friend the Member for Great Grimsby (Mr. Mitchell) spoke exclusively about rates in ports. Rather than responding in detail now, I refer him to the fact that there will be a debate on the Floor of the House next Wednesday on the regulations that the Government propose to introduce, so he will have the opportunity to debate them.

My hon. Friend the Member for Stafford (Mr. Kidney) made an important speech. I very much take his point about the need for property managers to act reasonably at this time. He is also right to emphasise the procurement powers of local authorities. As my hon. Friend knows, the Minister for Local Government visited Staffordshire recently. We certainly welcome the freezing of rates for business centres across the county, to which he referred. That is a great example of a Labour-led county council taking effective action. I note the Budget representations that he made to me on empty property relief and on small business rate relief. Obviously, the Budget will be announced next month.

The hon. Member for South-West Bedfordshire (Andrew Selous) raised a number of local examples of businesses in his constituency and variations in valuation practices, which I am sure he will take up through other channels.

The hon. Member for Aldridge-Brownhills (Mr. Shepherd), a black country neighbour of mine, will no doubt welcome the fact that 7,340 companies in the west midlands have so far deferred taxes, to the tune of £134 million. I agree with him about the importance of retail to the economy of the west midlands and of the UK as a whole, and in many cases I do not think the importance of retail to regeneration has been properly emphasised. He talked about the recession of the early 1980s, which I remember well. I also remember the extremely limited policy response at that time, by contrast with the active measures that the present Government have introduced.

The hon. Member for Northampton, South (Mr. Binley) did not have the opportunity to do much more than clear his throat, but I am sure we will benefit from his wisdom on another occasion.

In the remaining time available, I want to cover the Government's response. First, I shall address the subject of the VAT cut, which was raised by a number of hon. Members. There is clear evidence that that cut has been passed on through reductions in prices, and it is transparently the case that it is a £12.4 billion boost to the economy. Opposition Members say that they would not have introduced the VAT cut, they would have done something else. They need to think about whether they are prepared to support a fiscal stimulus to the UK economy. They have opposed us on that all along the road, but they cannot spend money if they are not prepared to commit the resources.

That is exactly the case with the Conservative proposals in relation to the loan guarantee scheme, which was raised by the hon. Member for Mid-Worcestershire (Peter Luff). The Conservative party is split on that. The shadow Chancellor says that he wants a loan guarantee scheme and pretends that it will not cost any money. The shadow Business Secretary says clearly that the taxpayer will take some of the hit. Whether on the loan guarantee scheme or on inheritance tax, there is clearly a difference of opinion at the heart of the Conservative party.

Let me move on and explain the Government's enterprise finance guarantee. Hon. Members should be realistic about Government programmes. The enterprise finance guarantee is up and running and is providing support to businesses. The actions that the Government have taken to stimulate extra lending into the economy have, through the asset protection scheme commitments made by Lloyds Banking Group and by RBS, led to an additional £27 billion being introduced into the economy and made available for loans over the next 12 months.

Under the enterprise finance guarantee scheme, about £30 million was offered to business last week. That is real progress. On the working capital scheme, a Government guarantee that supports £500 million more lending cannot be rustled up overnight. It requires extensive negotiations with the banks because it involves, potentially, taxpayers' guarantees that may be called. If the Opposition are serious, they should consider where the money will come from. They should recognise that such schemes take time and need to be negotiated. They must be right if the taxpayer is not to be exposed to completely unfair liabilities—

Mr. Patrick McLoughlin (West Derbyshire) (Con) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Question put accordingly (Standing Order No. 31(2)), That the original words stand part of the Question.

The House divided: Ayes 220, Noes 297.

Division No. 90] **[7 pm**

AYES

Afriyie, Adam	Beresford, Sir Paul
Ainsworth, Mr. Peter	Binley, Mr. Brian
Amess, Mr. David	Bone, Mr. Peter
Arbuthnot, rh Mr. James	Boswell, Mr. Tim
Atkinson, Mr. Peter	Brady, Mr. Graham
Bacon, Mr. Richard	Brazier, Mr. Julian
Baldry, Tony	Breed, Mr. Colin
Barker, Gregory	Brokenshire, James
Barrett, John	Brooke, Annette
Beith, rh Sir Alan	Browne, Mr. Jeremy
Bellingham, Mr. Henry	Browning, Angela
Benyon, Mr. Richard	Burns, Mr. Simon
Bercow, John	Burrowes, Mr. David

Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Opik, Lembit
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Stephen Crabb and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Challen, Colin
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Durkan, Mark
Eagle, Angela

Eagle, Maria
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Helen Goodman and Ms Diana R. Johnson

Question accordingly negatived.

Question put forthwith (Standing Order No. 31(2)).

That the proposed words be there added.

Question agreed to.

The Speaker declared the main Question, as amended, to be agreed to (Standing Order No. 31(2)).

Resolved,

That this House notes that the Government has recognised the problems that many businesses face and is committed to do all it can to help them through these testing times; recognises the action the Government has taken to give targeted support to businesses including a £20 billion working capital scheme, an aim to pay Government suppliers within 10 days, a cut in the main rate of value added tax to 15 per cent., a deferral in the increase in the small companies' rate of corporation tax, free business health checks, more than £100 million towards debt advice, the HM Revenue and Customs Time to Pay scheme benefiting 93,000 firms by deferring £1.6 billion in tax, and extension of Empty Property Relief; believes the Government's commitment to the annual Retail Price Index cap means that there has been no real terms increase in business rates since 1990; welcomes the Small Business Rate Relief scheme benefiting 392,000 businesses by £260 million in 2007-08; recognises that funding of almost £1 billion since 2005-06 has been provided through the Local Authority Business Growth Incentive scheme; further supports fairness in the system that ensures that properties are revalued every five years with transitional relief to phase in significant increases in bills from revaluation; and acknowledges help provided for businesses, including in ports, receiving unexpected and significant backdated rates bills by introducing an unprecedented eight years to pay, as part of a package of measures that ensures through the rates system there is certainly, fairness and appropriate relief for businesses.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118 (6)),

Tax Credits

That the draft Tax Credits Up-rating Regulations 2009, which were laid before this House on 9 February, be approved.—*(Ian Lucas.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Social Security, Northern Ireland

That the draft Guardian's Allowance Up-rating (Northern Ireland) Order 2009, which was laid before this House on 9 February, be approved.—*(Ian Lucas.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Social Security

That the draft Guardian's Allowance Up-rating Order 2009, which was laid before this House on 9 February, be approved.—*(Ian Lucas.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Church of England Pensions (Amendment) Measure

That the Church of England Pensions (Amendment) Measure (HC 268), passed by the General Synod of the Church of England, be presented to Her Majesty for Her Royal Assent in the form in which the said Measure was laid before Parliament.—*(Sir Stuart Bell.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

Ecclesiastical Offices (Terms of Service) Measure

That the Ecclesiastical Offices (Terms of Service) Measure (HC 270), passed by the General Synod of the Church of England, be presented to Her Majesty for Her Royal Assent in the form in which the said Measure was laid before Parliament.—*(Sir Stuart Bell.)*

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 1 April (Standing Order No. 41A).

Adjournment (May Day)

Motion made, and Question put forthwith (Standing Order No. 25),

That this House, at its rising on Thursday 30 April 2009, do adjourn till Tuesday 5 May 2009.—*(Ian Lucas.)*

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 1 April.

Banks and Banking

Ordered,

That the Bradford and Bingley plc Transfer of Securities and Property etc. (Amendment) Order 2009 (S.I., 2009, No. 320), dated 19 February 2009, be referred to a Delegated Legislation Committee.—*(Ian Lucas.)*

PETITION

Council Housing (London Borough of Sutton)

7.16 pm

Mr. Paul Burstow (Sutton and Cheam) (LD): I present the petition on behalf of tenants in the London borough of Sutton, which includes my constituency of Sutton, Cheam and Worcester Park. It highlights what tenants in my constituency regard as daylight robbery: 38p in every pound of the rents that they pay to the London borough of Sutton goes to the Treasury rather than towards maintaining their homes in my constituency.

Today, the chair of the Sutton Federation of Tenant and Resident Associations, Jean Crosby, the leader of Sutton council, Councillor Sean Brennan, my hon. Friend the Member for Carshalton and Wallington (Tom Brake) and I led a delegation of tenants to lobby Parliament, petition the Prime Minister and meet a housing Minister to make the case for decent home funding and a fair deal for rents in the borough of Sutton.

The petition states:

The Petition of tenants of the London borough of Sutton and others,

Declares that, through the rents they pay, council tenants are net contributors to the Exchequer, paying more to the Treasury in negative subsidy than the Treasury pays out in subsidy with current estimates putting the profit from rents to the Government in 2008-09 at £185 million to £200 million; regrets the fact that the review of housing revenue account subsidy is not yet complete and believes that the current system is unfair and unsustainable; further declares that in the current climate and times of hardship for many, rent increases of over 6 per cent. driven by the Government's rent restructuring policy is unjust; further declares that the £10 million taken from Sutton tenants for last year will be increased by three quarters of a million pounds this year, which now represents 38 per cent. of rent income.

The Petitioners therefore request that the House of Commons call upon Her Majesty's Government to reform the system to allow tenants to benefit directly from the rent they pay through investment in the condition of their homes and the quality of the services they receive and to reduce the amount of negative subsidy or at least freeze it until the review is finalised.

And the Petitioners remain, etc.

[P000324]

Unplanned Teenage Pregnancies (Nottingham)

Motion made, and Question proposed, That this House do now adjourn.—(*Ian Lucas.*)

7.18 pm

Mr. Graham Allen (Nottingham, North) (Lab): My constituency has the highest teenage pregnancy rate in western Europe and my city has one of the highest in the United Kingdom. We are now tackling that issue, and no one should doubt that we have serious changes to make and serious challenges ahead.

In Nottingham in November, we created a teenage pregnancy taskforce, which is designed to be a high level, motivating leadership body to drive our effort in the city. It is made up of myself as chair, the chief executive of the local health service, the director of our children's services, the chief executive of our city council and the lead council member on children's services, as well as a representative from the Department of Health's national support team. The taskforce is designed to provide the co-ordination and the impetus to ensure that our locally agreed plan is turned into action.

The first task that we set ourselves was to produce a plan of action, which is now done. The plan takes the form of 50 action points, each with an accountable officer who is responsible for implementing it and for reporting to the taskforce on their activity. Many found having a direct line of account to the taskforce a novel approach, but everyone is now making this philosophy work. Each of our monthly taskforce meetings has had four or five reports on action points and progress is reported and encouraged.

The second thing that we set about doing was appointing at a high level a teenage pregnancy co-ordinator capable of dealing directly with the big players locally, so that the issue can be taken seriously. Interviews for that post will take place in a couple of weeks. The final thing that we did in the burst of activity on teenage pregnancy in Nottingham since November was to employ an outside pair of eyes to examine how the leadership and delivery structure should work and to ensure that all partners—but particularly the local national health service and children's services—mesh together effectively. The structure has sometimes been unclear or duplicated. A report on clarifying those leadership structures will be acted upon within about one month.

The choice is not between silo working and assimilation; it is just about effective partnership working to tackle a serious problem. To some extent that confusion has been replicated at the national level. It is sometimes difficult for those of us on the ground to know where the responsibilities of the Department for Children, Schools and Families end and those of the Department of Health begin. However, we are beginning to find our way around those structures. All the big structural difficulties are being addressed. We now need to move on to the next phase and address both the general and the particular policy answers to teenage pregnancy in our city. However, we do so under the general umbrella of our early intervention strategy in Nottingham.

Teenage pregnancy does not stand alone. It sits alongside drug and drink misuse, low educational aspiration, low work aspiration, low self-esteem and many other symptoms. All those stem from one root cause, which One Nottingham's early intervention strategy seeks to address by creating a much stronger social and emotional bedrock in the babies, children and young people of our city. Capable, rounded individuals, well parented, will lead to a dramatic reduction in the symptoms that we see around us. Our pioneering circle of early intervention from zero to 18 is now well developed. It is not rocket science; it is just good, solid help, not 10 years late, but when it is needed—good parents, great kids, better citizens.

On finance, we are not just looking at work over the short term. Rather, we have a long-term approach. Will the Minister consider supporting us in negotiations with the Treasury as we look for long-term sustainable funding? We are considering approaches such as an early intervention bond issue, so that Nottingham's early intervention package can have the assured, long-term future that will be necessary if we are to make the inter-generational change that we need.

The other specific and unique policy being pioneered in Nottingham, where our early intervention circle overlaps with work on teen pregnancy, is on 11-to-16 life skills. There are many disparate efforts to help young people with the skills that they need to make important life choices, which include personal, social and health education, sex and relationship education, and social and emotional aspects of learning—PSHE, SRE, SEAL and other bewildering acronyms.

The Government have rightly recognised that there needs to be more coherence in that area. Sir Alastair McDonald and his team are conducting a review, which included a recent visit to Nottingham. However, given the seriousness of our local problems, we cannot wait until parliamentary time is found for a Bill to give life to the Government's intention to have a statutory life skills curriculum by 2011. The problems need to be tackled now, so we are, with the understanding and consent of everyone involved, going ahead with an 11-16 life skills programme.

One Nottingham is funding training and curriculum development, which is taking place as we speak. This will be a natural continuation of our family-nurse partnership, Sure Start children's centres, primary, social and emotional aspects of learning, and all the rest of our circle of early intervention policies. Life choices may literally be made in the teenage years, but they are, in reality, affected by the influences received from birth onwards, and our policies must reflect that.

Of course, we must continue to help with contraception and advice on pregnancy and child care, but the real answer to unplanned pregnancies is to be found in building the individual's social and emotional capabilities more than a decade before any sexual activity begins. Some further actions are necessary beyond the very helpful framework set by the national teenage pregnancy support team, to which I pay tribute for the assistance that it has given us in the task that we have set ourselves.

First, as well as the volume of activities around early intervention, we need to be much clearer about the target group that we must engage with to prevent teenage pregnancy. Given that last year—or the last year for which figures are available—there were 344 teenage pregnancies, we should, by accurate analysis of real-time data, be able to identify if not the next 344, perhaps the broader group or penumbra of about 700 families and develop a serious engagement with them from the earliest

possible age, so that life choices can be made effectively. We are a long way from doing that—it is one of the areas on which we need the hardest work. The sentiment has traditionally been that we deal with the problem in a caring and compassionate way once it has arisen, but that is no longer a viable long-term strategy. We need to intervene much earlier with the target groups and tackle the culture and attitudes that lead, almost inevitably in some cases, to early and teenage pregnancy.

The second issue is the transfer of data into intelligence and action—something with which I am sure Whitehall is familiar. An immense amount of data has been collected, much of it several years out of date, but for us to have active and directed policies, there needs to be a much more nimble transfer from real-time data collection into intelligence and policy action. We will then see real things happening much faster on the ground than we do now. We are examining how that can best happen, and hope that the Minister will tell us tonight that the Government will support us in those efforts.

Thirdly, we need to be much swifter at producing activity to meet specific local circumstances. Commissioning locally has to follow a nationally required legal process that is inspected, scrutinised, monitored, risk-assessed and has a gestation period sometimes longer than a pregnancy itself. Perhaps we can all look at the balance around the word "commissioning". It should be an incontrovertible good, but it is not always perceived that way on the ground.

A fourth specific area that needs attention—one on which I hope to obtain a second Adjournment debate if I am fortunate enough—is our whole approach to absentee fathers. In areas such as mine, the father, often a teenager, will disappear from view as soon as the girl is pregnant, and we need to address the life skills that could lead to those young boys, as well as the young girls, thinking more seriously about sustainable relationships, about raising a family together and about the consequences of single acts that affect both lives—and, indeed, the life of the child—for ever thereafter.

The relaunch of the Child Support Agency in its new guise provides a great opportunity to improve the life chances of our youngest and most vulnerable by ensuring that absentee fathers of babies born to teenage mothers meet their obligations. Nottingham is engaging with them and they are coming to talk to us about the possibilities. I hope that we can move that forward and perhaps even suggest one or two ways forward for the Government.

To improve the interaction with the public, our target group and the media, we need to take one or two progressive steps. Often, when public service bodies stray beyond direct service provision, they feel uncomfortable with the concept of needing to communicate with those wider groups. That has been evident in Nottingham and we are keen to develop a process of permanent messaging to those groups, not only to reach out through imaginative means such as texting, social network sites, teen magazines and so on to those who need the services, but to give profile and confidence to those professionals and others who work in this area, so that they know that things are being done, too, and feel supported.

We also need to reach the parents and others in the wider public who set the culture and the attitudes within which we all work and where young people pick up the attitudes that sometimes lead them to make the wrong choices. Those key issues arise from the work that we are doing. Further work on them will take place in Nottingham and I hope that when I meet with the Minister in a few months, I might be able to report some progress and work closely with the Government on them.

We have made a good start, but we are conscious of the enormousness of the problem that we are trying to address. It is essential that we do not feel that there are quick answers, magic bullets or short-term fixes. Tackling teenage pregnancy, rather like the other difficult social symptoms that are evident in constituencies such as mine, requires thorough and sustainable analysis that leads to action over a generation. This will not happen in two or three years' time. There will be no big change in the trend lines in a couple of years. This requires people to set out their stall for the long term, and that means over a generation.

Many of the problems that we face in constituencies such as mine are intergenerational. Therefore, it will take a generation to burst out of them and to create a different culture and a different set of attitudes. There are innovative approaches to the issue, and in Nottingham we wish to explore those and use them wherever appropriate. However, innovation cannot be a substitute for getting the basics right and ensuring high-quality joined-up delivery of the approaches that are tried and tested. Our teenage parenting strategy tries to ensure that we balance doing the basics well with introducing groundbreaking new ideas. The problems need to be tackled by effective long-term finance and by long-term cross-party and social consensus, which we are all trying to build at One Nottingham.

Like those in Sweden, we must ensure that measures last for 40, 50 or 60 years and are not prey to short-term electoral cycle considerations or points scoring. I congratulate my right hon. Friend the Minister on the way in which she has conducted the debate at a very high level. I hope that other parties match that and put the children we are trying to help ahead of any partisan political points scoring.

Setting out our stall for the long term is what has distinguished our efforts in Nottingham during the last three or four years. Our early intervention policies are well established and we hope to bring that cultural and attitudinal change to our efforts to tackle unplanned teenage pregnancy in our city. So far, so good, but we have much to do. I hope to report greater progress to the Minister as time goes by.

7.34 pm

The Minister for Children, Young People and Families (Beverley Hughes): I congratulate my hon. Friend the Member for Nottingham, North (Mr. Allen) on securing tonight's debate. More fundamentally, I commend the leadership he has shown on the issues—not just teenage pregnancy, but early intervention and prevention, reducing inequality and poverty, and leadership of the local strategic partnership. His work on teenage pregnancy falls under that broader umbrella. The lead that he has shown is very important to his city.

As my hon. Friend said, teenage pregnancy can have serious impacts not only on individuals but on families and communities, for generations. It is both a cause and

[Beverley Hughes]

a consequence of social exclusion and health inequalities, while all too often markedly reducing the life chances of the young people involved and the children whom they produce. That is why the Government are absolutely committed to reducing the number of conceptions among those aged under 18.

As my hon. Friend knows, I visited Nottingham again very recently to observe the work being done by the youth sector. I was delighted to learn not only that the local authority has included teenage pregnancy in its key priorities under the local area agreements, but that my hon. Friend has committed himself to the important task of chairing the city's teenage pregnancy taskforce for the next few years. As he said, Nottingham saw a 6.1 per cent. reduction in teenage pregnancy rates between 2006 and 2007. That is extremely encouraging, but he recognises, as he graphically explained—as I do—that there is more to be done if it is to be turned into a consistent, long-term trend in the city. His taskforce will play a key role in that. It is vital for a senior team to be in place to drive such a strategy forward. I was also pleased to hear that the taskforce would encourage all local secondary schools to agree on a common life skills programme for 11 to 16-year-olds.

My hon. Friend rightly highlighted the excellent work already being done by local authority staff, schools, doctors, nurses, people in the voluntary sector and many others. Further promising initiatives in Nottingham include nurse-led outreach projects, a condom distribution scheme, and the sex and relationship education that is taking place in many of the city's schools. I was glad to learn that all that good work was being underscored by additional support from the Department's national support team, which I hope will provide extra impetus.

The recent drop in Nottingham's teenage pregnancy rates shows that, given those projects and the support that is being provided, the problem, although difficult, is not intractable and we should not give up on it. I know that my hon. Friend does not propose to do so. It is clear that when teenage pregnancy strategies are applied rigorously and robustly, with strong leadership such as that provided by my hon. Friend, they work very well. For instance, since 1998 Newham's rate has been reduced by nearly 25 per cent., Oldham's by over 29 per cent., and Calderdale's by nearly 30 per cent.

In Nottingham my hon. Friend is leading a rigorous and robust implementation of the national strategy on teenage pregnancy, which we want every local area to adopt. It is based on the very best international evidence, and includes key recommendations and pointers from other countries. First, it emphasises the need for strong senior champions. My hon. Friend's development of the strategy has taken it a step further. I should like to pursue the requirement of naming individuals to be accountable for various elements, because I am sure that it will drive developments even faster and further.

Secondly, the strategy recommends a well publicised contraceptive and sexual health service for young people which can reach the most vulnerable, who may be apprehensive about visiting such services. Thirdly, it recommends that a high priority should be given to sex and relationship education in schools, with real support from local authorities. Fourthly, it stresses the need to focus targeted interventions on the young people whose risk of teenage pregnancy is highest. As my hon. Friend said, those young people will be individuals if we can identify them, but otherwise they will be groups of young people. It should be emphasised that all these measures need to be applied to boys as well as girls. That has not been a strong element of the strategy in some areas.

Clear messages should be conveyed to young people about the best ways of resisting peer pressure to have early sex, and about the need to delay sexual activity until they really understand and are ready for it. That, too, applies to boys as well as girls. We must also encourage them to use effective contraception and condoms when they do become sexually active. Fifthly, we must try to reach parents and support them in talking to their children about these issues, because young people say that ideally they would like to get the information and advice from their parents. Many say that their parents do not give it to them—that is particularly what boys tell us.

Lastly, although it is important to focus on young people in their teenage years when they are sexually active, it is even more important both to consider the context of universal services, so that we provide opportunities for activity and for raising the aspirations of all young people, and to start decades earlier. That is why the Government spent such a lot of time and effort in developing services for younger children, starting with the early years—with Sure Start centres, extended schools, focusing on early intervention and prevention—and dramatically increasing support for parents so that good quality parenting is really possible.

I want to say a few words about sex and relationship education—SRE—as it is clearly one of the key factors. We recognise that the quality of SRE across schools is still too patchy, which is why we have announced our intention to make SRE and personal, social and health education statutory. I hope that that will increase the priority schools give to teenage pregnancy and sexual health more generally, with a clear link to specialist health advice either on the school site or in the community. We expect to provide new guidance for schools on delivering SRE by January 2010.

We know that the vast majority of parents—86 per cent.—want schools to provide good quality SRE for their children. Some people argue that if we give young people SRE, that encourages them to be sexually active. The opposite is shown to be the case, however. All our international evidence shows that SRE encourages young people to delay sex, while giving them the knowledge and skills they need to make informed choices, not only about sexual health, but about related issues such as alcohol, which can have a strong influence on the potential for unplanned pregnancies and unprotected sex.

The role of parents is vital. We know that children who have open conversations with their parents are likely to have sex at a later age, and are more likely to take a more responsible approach and to use contraception when they do. However, many parents are not comfortable talking about these issues or do not feel that they are armed with the knowledge or confidence to do so. Almost half of our young people say they get little or no information from their parents, and that is particularly the case for boys. Therefore, we need sex education to support mothers and fathers in this aspect of education, but it should be a partnership between schools and

parents, with parents leading on instilling values, and schools providing accurate information and opportunities for young people to develop their ability to make safe and healthy choices.

I know that Nottingham has seen a very substantial recent reduction in teenage pregnancy, and that has helped to bring about a 7.2 per cent reduction between 1998, when the national strategy started, and 2007, although that is still below the average reduction in England of 10.7 per cent. It is important for us to develop our learning as Nottingham goes forward and implements the strategy through its taskforce, so that we can make further learning available for other local authorities in order to help them, too. Central to the success will be joint planning and commissioning between the local authority and the primary care trust. It was a key message in the recent child health strategy that those two bodies particularly must work together. My hon. Friend also mentioned some innovations in Nottingham in which I am interested, including the early intervention bond. I should be very interested to discuss with him how that concept develops.

Not many people may be aware that, since records began 30-odd years ago, the UK has had a high rate of teenage pregnancy compared with other comparable countries, especially those in Europe. If one tracks the rate in the UK compared with that in other European countries, one finds that the issue started to be tackled in other European countries in the 1980s and 1990s, but it was not tackled here then. In addition, during that period we saw child poverty nearly treble and inequality and unemployment increase dramatically. At a time when other European countries were tackling this issue and their rates were decreasing, our rates remained at a historically high level.

Since the national strategy was introduced there has been a 10.7 per cent. reduction in under-18 conception rates across the board. Later this year, we will be launching a high-profile media campaign, aimed at young people, on the effective use of contraception. None the less, the current rate is the lowest rate of teenage pregnancy that this country has had for the past 20 years, which clearly shows that, although we would like to go faster and further, we can have an impact on this problem. The teenage pregnancy strategy that we have in place is the right one to drive down the number of under-18 conceptions but, as my hon. Friend said, teenage pregnancy is still an issue of real concern.

Although some teenage parents do well, the reality is that being a parent during adolescence makes life very tough. We also know that the children of young parents can often inherit the legacy of poor health, low expectations and wasted talents, and that teenage mothers are far more likely to suffer from post-natal depression. So by reducing teenage pregnancy rates and improving support for teenage parents, we have begun to break this cycle, to raise aspirations and to improve the life chances for many thousands of young people. We have now to make sure that that continues to happen in the years ahead, and I want to work with my hon. Friend, whom I commend once again for the incredible leadership that he has shown in his city, on taking forward this issue.

Question put and agreed to.

7.47 pm

House adjourned.

House of Commons

Thursday 26 March 2009

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

MANCHESTER CITY COUNCIL BILL [*LORDS*] AND BOURNEMOUTH BOROUGH COUNCIL BILL [*LORDS*]

Resumption of adjourned debate on Question (15 January),

That the promoters of the Manchester City Council Bill [*Lords*] and Bournemouth Borough Council Bill [*Lords*], which were originally introduced in the House of Lords in Session 2007-08 on 22 January 2007, should have leave to proceed with the Bills in the current Session according to the provisions of Standing Order 188B (Revival of bills).

Hon. Members: Object.

The debate stood adjourned; to be resumed on Tuesday 21 April at Seven o'clock.

CANTERBURY CITY COUNCIL BILL, LEEDS CITY COUNCIL BILL, NOTTINGHAM CITY COUNCIL BILL AND READING BOROUGH COUNCIL BILL

Resumption of adjourned debate on Question (15 January),

That the promoters of the Canterbury City Council Bill , Leeds City Council Bill, Nottingham City Council Bill and Reading Borough Council Bill, which were originally introduced in this House in Session 2007-08 on 22 January 2008, should have leave to proceed with the Bills in the current Session according to the provisions of Standing Order 188B (Revival of bills).

Hon. Members: Object.

The debate stood adjourned; to be resumed on Tuesday 21 April at Seven o'clock.

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Credit Insurance

1. **Mr. Michael Jack** (Fylde) (Con): What assessment he has made of the effect of the availability of credit insurance for industry on the prospects for economic recovery. [266523]

The Chief Secretary to the Treasury (Yvette Cooper): About 20 per cent. of lending between businesses is generally covered by trade credit insurance. There is evidence that credit insurers are withdrawing insurance as part of the credit crunch, which is increasing the risks for those companies that use it, and the Government are in discussion with trade credit insurance companies about ways to give business more support.

Mr. Jack: Welcome as it is to learn from the Chief Secretary that the Government are in dialogue about this subject, I ask her to consider the situation of a small company in my constituency. The premium for its trade credit insurance has risen from £7,000 to £21,000 a year, and that is unaffordable. It had hoped that in the light of the announcement by the Under-Secretary of State for Business, Enterprise and Regulatory Reform, the hon. Member for Dudley, South (Ian Pearson), that the Government were working on a scheme to underpin trade credit insurance, something would have been announced by now. When will the Government formally address this problem and provide these companies with the help they need?

Yvette Cooper: We are looking at this issue, and the right hon. Gentleman is right to raise it. Much of the market is not covered by trade credit insurance, but this is a real pressure for those businesses that are, which includes many small businesses. He will be aware, however, that there is a private trade credit insurance market, and it is also important to ensure that we protect the taxpayers' interests. He is calling for more action, and I respect that position and think it right that we try to do more, but he should also be prepared to put money behind that, and that is something that his party has persistently refused to do.

John McFall (West Dunbartonshire) (Lab/Co-op): May I remind the Chief Secretary that in November I wrote a letter to the Chancellor and Lord Mandelson after discussions with Marsh insurers about credit insurance, and the situation is still precarious, so I think further negotiations need to take place in that area? Dare I also mention the remarks of the Governor of the Bank of England to the Treasury Committee the other day? He said that he would not rule out targeted measures, whether in terms of the labour market or corporate credit. I think targeted measures are still necessary in terms of corporate credit.

Yvette Cooper: My right hon. Friend is correct to say it is right to support the economy at this difficult time. That means providing support for businesses to deal with the pressures they are facing as a result of the global credit crunch, and particularly also support for those who are losing their jobs. That is why we are putting more than £1 billion of additional funding into, for example, helping those who are losing their jobs—investment that, sadly, is continuously opposed by the Conservative party.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): For many world-class textile businesses in my constituency, the lack of credit insurance is now a very serious issue. In addition to the monitoring that the Chief Secretary is doing, will she look at the increasing amount of information that we are getting to the effect that the banks are restricting their own facilities and their lending to these companies because there is no credit insurance, which means these businesses are now feeling a double whammy from which they are getting no relief at all?

Yvette Cooper: The hon. Gentleman makes an important point, and that is exactly why we are in detailed discussions with the trade credit insurance companies, and also why we have been setting out a range of measures with the

banks to support increased lending. The global credit crunch means there has been a big drop in foreign bank lending, for example, in the UK. Nevertheless, it is right to do everything we can to increase lending and support, which is why we now have legally binding commitments with the banks that have signed up to the asset protection scheme, in order to increase lending this year by tangible amounts.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Does my right hon. Friend agree that dialogue is not enough? There are good firms in our region that will be going out of business if we do not get help to them soon. The textile industry in Yorkshire particularly needs help, and it needs it now—if these businesses are supported for six to nine months, they will survive and flourish. We must do something quickly.

Yvette Cooper: My hon. Friend will be aware of the range of additional support that we have already provided for businesses, because it is right to do so to get them through the credit crunch. For example, 90,000 businesses are now benefiting from being able to defer their tax payments to the tune of more than £1.7 billion. That has been opposed by the Conservatives, but also £350 million of loans—

Mr. Speaker: Order. The right hon. Lady has made mention of what the Conservatives are doing in every one of her replies. I do not want that; what I am looking for is a ministerial reply.

Hon. Members: Hear, hear.

Yvette Cooper: Opposition Members are obviously pleased not to hear reminders about their policies, but—

Mr. Speaker: Order. I call Anne McIntosh.

Waste Disposal

2. **Miss Anne McIntosh** (Vale of York) (Con): What discussions he has had with the Secretary of State for Environment, Food and Rural Affairs on the implications of Government policy on the private finance initiative for contracts for waste disposal. [266524]

The Exchequer Secretary to the Treasury (Angela Eagle): Government policy, as announced on 3 March, is to ensure that vital infrastructure projects proceed as planned, supporting jobs in the economy and preparing for full recovery. In total, £13 billion of public investment in procurement will be safeguarded by the Government's action. That protection will ensure the future of a broad range of public infrastructure projects, including £3.5 billion of waste treatment and environmental projects.

Miss McIntosh: But is this—a time of credit crunch and the most severe recession that this country has ever faced—the best time to be inviting private finance initiatives? Why are the Government hiding behind private finance and why are public authorities having to explain what the benefits of energy from waste and other forms of incineration are? Why cannot the Government come out fighting with their own financing of these initiatives and explain to the public what the benefits or disbenefits of these initiatives are?

Angela Eagle: The announcements we made on 3 March will ensure that temporary problems experienced in the debt market will not put at risk £13 billion of vital investment in infrastructure, which will lead to the building of new schools and new hospitals, as well as jobs in waste procurement. I am not sure whether the hon. Lady is arguing that we should just abandon that and lose all the economic activity, jobs and support that goes with it—it sounds as if she is.

Miss Julie Kirkbride (Bromsgrove) (Con): Why are the Government not open about the level of public sector finance initiatives, which should now be included in the national debt? If they were more open about that, we could see exactly the extent to which they have mortgaged our future.

Angela Eagle: To the extent that public finance initiatives have helped to increase and renew our infrastructure, they are to be welcomed. The hon. Lady knows that that is about 10 per cent. of capital investment, and that it has created jobs and new buildings. In fact, we have mended not only the roof, but the whole inside of the building, which was crumbling when we inherited it in 1997. Public investment is a good thing. It has completely renewed our infrastructure, and that means that we have modern and more efficient, effective and productive infrastructure for the future. I would have thought that she would welcome that.

Mr. Dennis Skinner (Bolsover) (Lab): Is the Minister aware that there is a new waste disposal unit in Bolsover, on the old Coalite site? It is doing exceptionally well; there were queues there on Sunday. I propose that the shadow Business Secretary get hold of the Tories' inheritance tax plan and dump it in the waste disposal unit at Bolsover.

Angela Eagle: Our ability to deal with the complex problems caused by waste gets ever more sophisticated; my hon. Friend has come up with an intriguing new way of recovering energy from waste.

Credit Provision

3. **Mr. Bernard Jenkin** (North Essex) (Con): What further steps his Department plans to take to encourage banks to provide credit to businesses. [266525]

The Chancellor of the Exchequer (Mr. Alistair Darling): The Government will continue to take whatever action is needed to maintain the stability of the financial system and to kick-start credit in the economy.

Mr. Jenkin: There has now been a credit crunch in the economy for 18 months. The Government have introduced a great many measures, but is there any evidence that they are working? Has not all the extra liquidity that the Government have thrown at the banks been insulating them from the need to make the changes to and the clarifications of their balance sheets? Is it not the case that they will not start lending to each other until they trust each others' balance sheets, and that the Government have not actually forced them to come clean about what is on their balance sheets?

Mr. Darling: The restoration of trust in the banking system is essential; it is a precondition of fixing the problems in the wider economy, here and across the world, and it is absolutely necessary. The second thing to say to the hon. Gentleman is that it was necessary, as I believe most people accept, for us to recapitalise the banks in October. It was also necessary to go further than that and to help to deal with the problem that we face of these banks having on their books assets for which there is no market or whose value has been much reduced. That is why we introduced the asset protection scheme—the United States Government have announced something similar in its intent earlier this week, and other countries are doing that too. We have to make sure that we fix the banking conditions, because that is a precondition of sorting out the wider problems in the economy. Our approach is having an effect and will continue to have an effect. There is no overnight fix, but we are doing the right things to get lending and credit flowing in the economy, as well as supporting the wider economy and protecting jobs.

Mark Durkan (Foyle) (SDLP): Does the Chancellor accept that some people are finding a significant difference between the headline funds that the banks announce are available to support businesses and the amount of credit actually facilitated? We have banners in banks in Northern Ireland saying, "Lending isn't ending", but the message from business is, "Credit? We can't get it!" That comes from sound, reliable businesses. Will the Chancellor seek a report from the lending panel on what exactly is happening with the banks in Northern Ireland in terms of support for business?

Mr. Darling: Yes, and we will continue to do that. I can understand the frustrations of businesses and individuals when they find that a credit line that was available is no longer available, or that the price being charged has increased. Our objective in everything we are doing to support the banking system is to get credit flowing in the economy again. As I said a moment ago, that is essential. We will continue to monitor what banks are doing. There is some evidence that in several cases credit is now available, although as we continue through one of the severest downturns we have seen—the House will have seen the figures from Japan and Germany earlier this week, which show a significant downturn—it is necessary that we maintain the course that we have set and do everything that we can to get credit flowing again. That is very important.

Mr. Julian Brazier (Canterbury) (Con): Nobody doubts the Chancellor's commitment on this issue, but in drawing parallels with the US recapitalisation, will he accept that because their preference stock was at 5 per cent. while ours was at 12 per cent., US banks have an incentive to rebuild their businesses, whereas British banks have an incentive to minimise their exposure to Government recapitalisation?

Mr. Darling: I am not sure whether the hon. Gentleman has noticed, but in the past six weeks we have converted the preference shares that we held in the RBS Group and the Lloyds Group into ordinary shares, because they needed the additional capital. The Financial Services Authority's requirements were quite clear about that. I welcome what the hon. Gentleman says about supporting the banks, but what we are doing in supporting the banking system is complemented by what we are doing to support the wider economy.

I know that there is a difference of view about whether there should be any fiscal stimulus, but a substantial amount of money has gone into the economy, on which the Governor of the Bank of England fully agrees with us. I also agree with the Governor that it is necessary to continue to take action to support our economy. In particular, it is necessary to do everything we can, when people face losing their jobs, to get them back into work. That is one of the big lessons that people should have learned from what happened in the 1980s and 1990s.

Mr. Jim Devine (Livingston) (Lab): Will my right hon. Friend consider placing a cap on interest rate charges for credit? For some store cards, interest is 26 per cent. APR and some companies charge as much as 182 per cent. as legalised moneylenders. That is obscene at a time when interest rates are below 1 per cent.

Mr. Darling: I do not think that a generalised cap or Government regulation of interest rates would work. I have great sympathy with what my hon. Friend says about the very high interest rates imposed by some unscrupulous lenders, and I know that he has done a great deal to try to address those problems. People have to remember, however, that if we impose controls and try to restrict lending, it comes at a wider cost to individuals, businesses and the economy. It is important to tread the fine line between sufficient public regulation, supervision and controls to protect the public interest, and stopping the flow of credit on which everything in our economy depends.

Stewart Hosie (Dundee, East) (SNP): The minutes from the Bank of Japan tell us that Japan's quantitative easing programme was expected to encourage the banks to provide more credit to business, but the evidence is that bank lending reduced over the period of quantitative easing. What can the Chancellor say today to give us more confidence that the UK's version of printing money will have the right result and encourage the banks to provide more credit?

Mr. Darling: Quite simply, in the 1990s Japan did not address the underlying problem in the banking system. It did not put in enough capital and did not deal with the assets that had gone bad, and until one addresses those problems anything else that one might do will not have the full effect that is hoped for. The Japanese are now quite clear about what went wrong in the previous decade and that is why most countries are now at pains to avoid it. The very fact that Japanese exports have gone down by nearly 50 per cent. demonstrates the extraordinary circumstances that we face. When a country such as Japan is facing such problems, there is all the more reason for us not only to take action to deal with the bank problem and to sort that out, but to take whatever action is necessary to support the economy through fiscal stimulus. We have given the Bank of England additional fire-power to put more money into the economy, because that is essential if we are to protect jobs in quite extraordinary conditions across the world.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): I am quite clear that banks should not be lending to businesses when underlying weaknesses are not being properly addressed. However, it seems to me that in my constituency at least many decent businesses, without underlying weaknesses, are told when they apply for credit that they have to cover that advance many times over—sometimes twice—with securities. I believe that the banks have to take some of the risk themselves, rather than trying to transfer the whole amount to small business owners, who have wives, families and so on to keep. It is quite unrealistic to expect that level of cover from ordinary small businesses when advancing credit.

Mr. Darling: If my hon. Friend would let me have a note of some of the problems that his constituents have encountered, I would be happy to look at them. I agree that as part of the process of restoring trust in the banking system we have to be clear about banks' responsibilities as well as the responsibilities of individuals and businesses. If someone takes out a loan, they have to be clear that they can repay it. Equally, banks have to be responsible in their lending and ensure that they are realistic and reasonable about the conditions that they impose. That is very important and it is all part of restoring trust in the system, which I regard as absolutely essential.

Sir Peter Tapsell (Louth and Horncastle) (Con): Does the Chancellor agree that with the declining prospect of growth in the economy, the banks are faced with an inevitable deterioration in the quality of their loan books, so that far from increasing their loans to businesses, they are likely to be seeking the whole time to increase their capital? How will that problem be overcome?

Mr. Darling: The hon. Gentleman raises a quite reasonable point. All over the world, we have this problem. We need to ensure that banks strengthen their capital position, because in the long term that is essential. Of course, if banks did that and there was no other intervention, there would be less credit in the economy and the economy would shrink further. The result would be that the bank assets that are currently impaired would become even worse. That is why we have not only taken action to recapitalise the banks—in the case of RBS and Lloyds Group we have put additional capital in—but put in place schemes such as the credit guarantee scheme, which is working very well, the special liquidity support system, which has provided liquidity for the banks, and, in addition, the asset protection scheme, which, as I have said, will go down a similar road to the scheme in the United States. I am sure that the hon. Gentleman recognises that, as he is in a minority in his party in that he sees the point and the reason behind Government intervention in such extraordinary circumstances. Government intervention is absolutely necessary to complement the process that he and I agree has to take place if we are to maintain credit in the economy.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): The simple way to get the banks lending to business again is the Conservatives' national loan guarantee scheme. Yesterday, in Prime Minister's questions, the Leader of the House criticised the scheme, claiming that there was no money behind it. The Chief Secretary said much the same thing a few moments ago. For the record, will the Chancellor confirm what the Economic Secretary told the House about the Government's guarantee schemes on 14 January? He said:

"We expect the measures to be run on a break-even basis".—[*Official Report*, 14 January 2009; Vol. 486, c. 220.]

He said that for a very good reason, because the premiums that are being charged are expected to cover the losses. There will be no additional cost to public expenditure from those schemes. Is it not the truth that the Government's only sustainable objection to the national loan guarantee scheme is that they did not think of it first? British businesses are suffering because the Prime Minister puts his political sensitivities ahead of their business needs.

Mr. Darling: With your forbearance, Mr. Speaker, I think that I can answer that quite shortly. When the loan guarantee scheme was announced by the shadow Chancellor, he said that

"it does not add to public expenditure" —[*Official Report*, 18 December 2008; Vol. 485, c. 1228.]

On 11 March, the shadow Business Secretary said, with exemplary candour, that

"the taxpayer will take some of the hit."

How on earth does one square the Conservatives' position that they would spend nothing extra with the fact that this scheme, even if it were workable, would cost the taxpayer money? That just shows the nonsense of the Conservative position.

Equitable Life

4. **Annette Brooke** (Mid-Dorset and North Poole) (LD): What progress has been made by the Chadwick review into compensation for Equitable Life policyholders. [266527]

The Economic Secretary to the Treasury (Ian Pearson): Sir John Chadwick has begun the work that the Government asked him to undertake on aspects of the ex gratia payments scheme that was announced by the Chief Secretary to the Treasury on 15 January. The Government will keep the House updated and report back on progress at regular intervals.

Annette Brooke: The Government's position has been described as

"shabby, constitutionally dubious and procedurally improper".

It is clear that the parliamentary ombudsman does not think that injustices will be fully remedied. What assurances will the Government give that my constituents and other Equitable Life policyholders who have clearly suffered injustices will get justice delivered with speed, clarity and transparency?

Ian Pearson: I am very disappointed that the Public Administration Committee should choose to obscure the real help that it accepts the Government's payments scheme will deliver under extreme headlines, seemingly driven by an uncritical acceptance of the findings of the ombudsman's report and by its unjustifiable and irresponsible characterisation of the manner of the Government's response. *[Interruption.]* As a Government, we do not depart lightly from any of the ombudsman's findings, but—*[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman is in order.

Ian Pearson: The Government do not depart lightly from any of the ombudsman's findings, but in such an important and complex case we have a clear duty to the taxpayer to ensure that our response is informed by a proper and comprehensive consideration of her report. That is what we have done and, as I have indicated previously, we want to move forward with an ex gratia payment scheme just as quickly as possible. We are talking to Sir John Chadwick about the advice that he is providing.

Sir Patrick Cormack (South Staffordshire) (Con): Is the Minister aware that he has just made one of the most shameful statements to have been made from that Dispatch Box in many years? He has rubbished a Committee presided over by one of his own greatly respected colleagues, and discounted the unprecedented second letter from the ombudsman that we all received this week. He has had no support from the Benches behind him, as not a single Labour Member has risen to echo his words. He should be deeply ashamed of himself, because he is bringing the Government and the whole system into disrepute.

Ian Pearson: I have a lot of respect for the hon. Gentleman, who has a very long track record of upholding standards in this House, but we have departed from the ombudsman's findings only where we have clear and cogent reasons for doing so. We have applied scrupulously the terms of the Parliamentary Commissioners Act 1967, as interpreted by the Court of Appeal in the Bradley judgment. For no other reasons have we departed from those findings. I have to say that I remain very disappointed indeed that the PAC does not appear to have understood some of the arguments that we have made to it.

Mr. Mark Field (Cities of London and Westminster) (Con): May I associate myself entirely with the words of my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack)? I think he speaks for many people in the House, including many of the silent Back Benchers behind the Minister. What is the Minister now saying to all of our constituents? They are not unreasonable, and do not necessarily expect to get a share of the £4 billion that is being proposed, but are the Government simply waiting for many constituents across the country who relied on Equitable Life literally to die before there is any chance of getting any money on their behalf? Does he not find that a disgraceful state of affairs?

Ian Pearson: No, we are not saying that. We are saying that we want to move forward with introducing an ex gratia payment scheme as quickly as possible to help those who have suffered disproportionate impact as a result of losses through Equitable Life. We shall continue to do that. The fact that we have a disagreement with the Public Administration Committee will not deflect the Government from moving forward with all speed and providing a remedy for Equitable Life policyholders who have suffered disproportionate impact.

Several hon. Members *rose—*

Mr. Speaker: Order. Condemning the Minister's reply is not what this is about—it is about asking a supplementary on the subject. I am sure Sir Nicholas Winterton will be able to do that.

Sir Nicholas Winterton (Macclesfield) (Con): I hope, Mr. Speaker, I do not let you down.

Is the Minister not aware that the way that Equitable Life policyholders are being treated is viewed—by the public, and not just the policyholders themselves—as another example of the way the Government treat people who have been responsible and prudent? Here are people who have tried to save for their retirement. The reports produced by the ombudsman have, in a way sadly, been critical of the Government, so is it not time that the Government speeded up the process to help people such as those who are losing out from virtually negative interest on their savings under the credit crunch, and to give them the benefit of their prudence and responsibility?

Ian Pearson: The ombudsman herself admitted that the issue was not clear cut. The hon. Gentleman will be well aware of the findings of the Penrose report, which said that the company was largely responsible for the demise in the situation. We will continue to move ahead with all the speed we can. We have asked Sir John Chadwick to provide us with advice; we want to introduce a scheme and we want to make sure that we can offer a remedy to Equitable Life policyholders. There is a technical dispute between the Public Administration Committee and the Government, because we clearly do not agree with its report and we shall respond in due course.

Mr. Mark Hoban (Fareham) (Con): That was an extraordinary attack on an Officer of the House and a Committee of the House, and the Minister's comments will be noted across the country. They typify the Government's approach to the whole issue. At every step on the way, the Government have sought to block, frustrate and delay justice for Equitable policyholders. On Saturday, *The Daily Telegraph* nailed them completely. An early draft of the Treasury response to the ombudsman's report said:

> "Sir John will aim to provide his final advice to Government by June 2010."

Is it not time for the Government to stop their shabby treatment of policyholders and give them a clear timetable for justice?

Ian Pearson: I and the Government have every sympathy for Equitable Life policyholders who have suffered genuine losses as a result of the failure of regulation, for which we have apologised. I have still not heard an apology from the Opposition for the period when they were responsible with regard to public bodies. Let us be clear. We have said all along that it is not normal practice for the Government to compensate for regulatory failure, and that is not the response just of this Government—it has been the response of successive Governments.

With particular regard to the date the hon. Gentleman gave, let me be very clear in response: we have said that we want Sir John Chadwick to advise us as quickly as possible and we want to make sure that we can introduce a payment scheme and make payments as quickly as we have the evidence, but we are talking about spending taxpayers' money, and we have to have regard for the public purse. We have to do the right thing in the right way, and we will do that as quickly as possible.

Economic Growth

5. **Mr. Nigel Evans** (Ribble Valley) (Con): What his most recent forecast is of economic growth in the UK in 2009-10. [266528]

7. **Mr. Mark Harper** (Forest of Dean) (Con): What his most recent forecast is of economic growth in the UK in 2009-10. [266530]

The Chancellor of the Exchequer (Mr. Alistair Darling): I will update the House at the Budget on 22 April.

Mr. Evans: Well, a lot of jobs will be lost between now and then. Over the last several weeks, since the recession began, 6,500 jobs in east Lancashire have gone, and the chamber of commerce predicts that another 5,000 jobs will go. In my constituency, between Fort Vale Engineering, Fraser Eagle and Ultraframe, 200 jobs have either gone or are under threat of the axe. Will the Chancellor tell us how many jobs he believes will go in east Lancashire simply because of the business rate increase now facing many small to medium-sized enterprises? Does he not see the absurdity of pumping huge sums of money into the banks that will then have to be borrowed by some of those small to medium-sized enterprises—if they can do so—simply to pay for the business rate increases he is imposing on them?

Mr. Darling: The hon. Gentleman said that he was concerned about people who lose their jobs, and he is right to be concerned about them. That is why we have allocated just over £1 billion to the Jobcentre Plus network to help people who lose their jobs to get back into work as quickly as possible. It is still the case that most people who lose their jobs manage to get back into work within three months. Of course, that means spending money—something that he and his colleagues are against. I am aware of the concerns that have been expressed about business rates, but again, what the hon. Gentleman is asking for involves spending money, and his Front-Bench colleagues give the distinct impression that they would not spend any more money at all.

Mr. Harper: The Chancellor mentioned unemployment; in my constituency, it has risen by 18 per cent., according to the last set of figures. There are very few jobs advertised in the jobcentre, and there are 21 jobseekers for every job that it advertises, so my constituents will be looking very closely at the Budget. Did the Governor of the Bank of England not let the cat out of the bag when he pointed out that our fiscal position is so bad, our debt so high, and the Chancellor's inheritance from his predecessor so bad, that the Chancellor's hands are tied, and he will not be able to deliver a substantial fiscal stimulus in that Budget?

Mr. Darling: That actually was not what the Governor said. Indeed, he made the point, in his evidence to the Treasury Committee, that he thought that measures to help people get back into work were a good thing, and ought to be supported. The point that I was making—I will make it to the hon. Gentleman as well—was that if we are to help people get back into work and retrain, and if we are to help them match with jobs in the economy, it will mean spending money. The lesson from the recessions of the 1980s and 1990s is that if we do not spend the money—if we do not intervene for two or three years—an entire generation will effectively be wiped out. We must avoid that at all costs. That is why the Governor and I are totally agreed that the stimulus that I announced last November was necessary. That is why both of us agreed, at the G20 meeting of Finance Ministers and central bank governors a couple of weeks ago, that we needed to do whatever was necessary, for as long as is necessary, to support the economy.

Of course, as I have said on many occasions, substantial sums of money are being put into the economy through the measures that I announced in the pre-Budget report, and through the additional fire-power that I have given the Bank of England to get credit going in the economy. Both those things are absolutely essential, and we have to make sure that they work their way through. As the Governor himself said—and I agree—we also have to make sure that, if it is necessary, we continue to do more when it comes to measures such as putting people back into work. It is nice to have the support of the hon. Members for Ribble Valley (Mr. Evans) and for Forest of Dean (Mr. Harper); perhaps they could have a word with their Front-Bench colleagues.

Nick Ainger (Carmarthen, West and South Pembrokeshire) (Lab): May I agree wholeheartedly with what the Chancellor said? I was on the Treasury Committee when the Governor said the words that my right hon. Friend has just repeated. May I commend to my right hon. Friend the submission produced by Professor "Danny" Blanchflower and David Bell of Stirling university, which puts forward suggestions to address youth unemployment? In the summer, 700,000 young people will leave school and university; we need to tackle those numbers. Will my right hon. Friend look at the report, because it suggests good ways of tackling the problem of growing youth unemployment?

Mr. Darling: I have indeed seen Professor "Danny" Blanchflower's suggestions, and I have spoken to him as well. *[Laughter.]* Rather than laughing about the matter, most people in the House ought to be concerned, at a time when we can see that the unemployment figures have been rising, that we do everything possible to get people back into work. The lesson from the past is that that is necessary not just for the long-term unemployed. It is especially necessary for young people, to ensure that they get back into the workplace as quickly as possible. However, I repeat that it means that at some stage we have to be prepared to spend the money to back that up. My view is that it is money well spent, because the cost of doing nothing, which is what the Opposition urge us to do, would be far, far greater.

Mr. Andrew Love (Edmonton) (Lab/Co-op): One consideration is the dramatic drop in world trade over the past six months. What action will my right hon. Friend be taking at the G20 to try to reassure the international community, so that we can get world trade moving again?

Mr. Darling: I agree with my hon. Friend. The fall in world trade is one reason why industrial production is falling. It is interesting that, in the exchange of letters that I had with the Governor of the Bank of England, he made the point that in 54 of the 57 countries for which we have data, falls in industrial output were seen over the last quarter of 2008. That has had a devastating effect on economies, particularly in the far east.

We need to make sure that we get world trade going, which is why the resumption and conclusion of the Doha round of trade talks is important—and that will feature next week at the G20. It is also necessary for countries around the world to do everything that they think is right and appropriate to boost their own economies. Nobody is saying that they need to turn up next Wednesday with a budget on the table, but we are saying that if countries act together the effect will be far greater. When recession is affecting or threatening countries across the world, the need for countries to act together is essential, which is why next week is an important step along the way.

Mr. Michael Fallon (Sevenoaks) (Con): Why did it take the Governor to warn the Prime Minister that this country simply cannot afford to borrow any more money? Why does the Chancellor not stand up for taxpayers' interests, resist the banging on the wall from his neighbour next door, and start the long haul of getting our public finances under proper control?

Mr. Darling: I would say two things to the hon. Gentleman. First, the International Monetary Fund noted in its recent report that many countries entered this problem

"with greater fiscal space to expand".

It noted that Canada, China, France, the UK and the US were such countries, so we are in a place where we can provide help for the economy. To put it another way, if we had not done so—if we had taken £20 billion out and withdrawn the power that we have given to the Bank of England to ease credit—the effect on the economy would have been absolutely harmful and very damaging, especially to jobs and the future prosperity of businesses.

I made the point in the pre-Budget statement last year that, just as it is necessary to support our economies now, all countries need to live within their means over the medium term. That is why I announced measures to raise money in the pre-Budget report. It is important—and no one should be in any doubt about this—that, yes, we need to take measures now, as I have said, as the Governor has said, as the Prime Minister has said, to support our economy, but all of three of us have also made the point that it is necessary to make sure that in the longer term we have a sustainable position and that all countries live within their means. That may mean making some hard choices, but it is necessary.

Mr. Lindsay Hoyle (Chorley) (Lab): My right hon. Friend is well aware of the difficulties. He has heard about manufacturing in Lancashire, and we have just lost more jobs at Leyland Trucks. We ought to look at how we can protect manufacturing for when the economy goes into growth, and the best way of doing so is through a short-term working subsidy. Will he look at that, and if he is looking at how we can fund it, he can always end the VAT cut early so that that much-needed measure can put the impetus back into manufacturing?

Mr. Darling: I agree with my hon. Friend that we need to do whatever we can to protect jobs or, where jobs are lost, to get people back into work. I also agree that it is necessary as far as possible to do what we can to help where we think that businesses have a viable future. I do not agree with the point that he made in relation to VAT, but I do not think that he expected me to do so.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Earlier this week, the former Cabinet Minister, the right hon. Member for North Tyneside (Mr. Byers), said that the VAT cut had "run its course" and should be reversed. Does the Chancellor agree?

Mr. Darling: No, I do not, because I think that putting £12.5 billion into the economy and doing it immediately was necessary. We are also—and I am grateful to the hon. Gentleman for allowing me to say this—taking other steps that will help the wider economy. Basic rate taxpayers will see a reduction in their tax, starting on 6 April. We have increased child benefit for the oldest child, and for other children as well. We have brought forward, too, a payment of £60 for pensioners, and the state pension itself will go up in April, so we are taking a range of measures to help. As for VAT, perhaps the hon. Gentleman should have a word with the shadow Business Secretary, who supported the reduction in VAT. Increasingly we are hearing a lot more sense and a lot more experience from that direction than we are from the shadow Treasury Front Bench.

Automotive Industry

6. **Mr. David Drew** (Stroud) (Lab/Co-op): What recent discussions he has had with the Secretary of State for Business, Enterprise and Regulatory Reform on assistance for those on short-time working in the automotive industry. [266529]

The Financial Secretary to the Treasury (Mr. Stephen Timms): The tax credit system is particularly effective in delivering immediate help to families whose income falls—for example, as a result of short-time working. We have worked closely with the Department for Business, Enterprise and Regulatory Reform on the Government's automotive assistance programme.

Mr. Drew: In a previous exchange, my hon. Friend the Member for Chorley (Mr. Hoyle) mentioned the need for wage compensation for those on short-time working. In Stroud we have worked up quite a sophisticated training package with both Delphi and Renishaws, and I thank the South West of England Regional Development Agency, Gloucestershire First and Unite trade union for that. The missing link is the need to recognise that people are putting their own time and money into the training package. If the Government could provide some additional funding for that, that would be important. I know that there is a paper before the Cabinet. May we have some clarity and some progress on this?

Mr. Timms: I am grateful to my hon. Friend and he is right to draw attention to the range of measures that are in place to support the automotive industry. I point out to him again the benefits of the tax credit system—for example, for someone who is earning £400 a week, with two children. If their income falls by £40 a week, perhaps as a result of short-time working, the tax credit award could well go up by £15 a week. So there is real and immediate help from the tax credit system to people in the position that my hon. Friend describes. We are looking at other options. We are looking, for example, at the possibility of a wage subsidy scheme that we have seen elsewhere, to see whether that could add to the real help that we are already giving. The car industry is making good use of the Train to Gain support of up to £100 million, which my hon. Friend mentioned. We are giving the help that is needed.

Topical Questions

T1. [266548] **Mr. David Hamilton** (Midlothian) (Lab): If he will list his departmental responsibilities.

The Chancellor of the Exchequer (Mr. Alistair Darling): My responsibilities remain as I set out on previous occasions.

Mr. Hamilton: My right hon. Friend will be aware of the crisis that is facing pubs and clubs throughout the country. My constituency cannot be any different from anywhere else, and every week a pub or a club is put under pressure. When reviewing the Budget, will the Chancellor look into the duties placed on pubs, as opposed to the loss leaders in supermarkets, and consider the possibility of changing the duty on draught beers, ciders and lagers, which could help them? Will he also take a good kick at the breweries and tell them that they should reduce the rates that pubs have to pay?

Mr. Darling: My hon. Friend raises an understandable concern for pubs throughout the country. He will know that the number of pubs in this country has been declining pretty steadily over the past 20 years or so. He is right to say that there are many factors that influence the price of beer that the customer pays in the pub. That depends not just on duty but on charges made, in many cases, by brewers that are tied. I met representatives of the brewing industry and the industry generally fairly recently to discuss these matters and, as ever, I will keep them under review.

Mr. George Osborne (Tatton) (Con): I notice that in previous answers the Chancellor has avoided directly addressing the comments of the Governor of the Bank of England to the Select Committee on Tuesday. The Governor said:

"the fiscal position in the UK is not one that would say, 'Well, why don't we just engage in another significant round of fiscal expansion?'"

In one word, will the Chancellor tell us whether he agrees with the Governor of the Bank of England—yes or no?

Mr. Darling: As I have said on a number of occasions this morning, the Governor and I are in complete agreement in relation to the fiscal stimulus that I announced in the pre-Budget report last year. We are in complete agreement about the declaration that we both signed up to at the G20 meeting in Horsham a couple of weeks ago, when we said that countries needed to do whatever was necessary for as long as necessary. I also agree with him when he says specifically in the same evidence to which the hon. Gentleman refers that he would not rule out targeted and selected measures that help people faced with unemployment, something that the hon. Gentleman has turned himself against. The difference is not between me and the Governor—far from it. It is between me and the hon. Gentleman, who opposes doing anything to help people in these unprecedentedly difficult conditions. It is he who has the problem, not us.

Mr. Osborne: The Chancellor knows full well that the question is about a potential second fiscal stimulus in the Budget which the Governor of the Bank of England was warning against and on which the Chancellor has yet to express a view. Is it not a defining moment in the history of the Government's handling of the recession when the Governor of the Bank of England pulls the rug on the entire fiscal approach pursued by this Government? We have the truly humiliating position of a Prime Minister lecturing Latin American economies about fiscal probity while the Governor of the Bank of England cuts up his credit card back home. Can I ask the Chancellor again, very specifically, does he agree with the Governor of the Bank of England that

"the fiscal position in the UK is not one that would say, 'Well, why don't we just engage in another significant round of fiscal expansion'"?

If there is no agreement between the Chancellor, the Governor of the Bank of England and the Prime Minister, what hope is there for any confidence that the Government can pull us out of this recession?

Mr. Darling: As ever, the hon. Gentleman is talking nonsense and he knows it. I have made it very clear—and the Governor and I have discussed this on many occasions—that it was and remains necessary for us to take the action necessary to protect jobs and get credit flowing again in the economy. The hon. Gentleman opposes that. I believe that it is right, because I believe that the Government should be in the business of helping people through what is an unprecedentedly difficult period.

In relation to this country's position, the International Monetary Fund itself, as I said, has noted that we and other countries were able to put in place a stimulus. It called for countries to take action together. We have done that, but again it is something opposed by the hon. Gentleman. He has absolutely no policies, prescriptions or suggestions as to how we should deal with these things. Indeed, the only policy that he has, in relation to inheritance tax—a policy that he claimed was funded—was undermined yesterday when the shadow Business Secretary, someone who does have experience, said that he had no idea how much money could be raised by the proposals. Is that not another example of experience on the part of the Business Secretary triumphing over the youthful impetuousness that we see opposite?

T2. [266549] **Tony Lloyd** (Manchester, Central) (Lab): My right hon. Friend will be aware that the Financial Services Authority's compensation scheme has refused to recompense the charitable scheme of the Christie cancer hospital in Manchester for the £6.5 million that it lost when the Icelandic banks crashed. Will it be possible to urge the FSA to look once again at the unique position of charities—not, I recognise, only one charity? They are not equivalent to local authorities or individuals, but represent the many small donations of thousands upon thousands of individuals.

Mr. Darling: I fully understand my hon. Friend's point about the Christie hospital and a number of charities. Many people have spent hour after hour, day after day and week after week raising money for an extremely worthwhile cause. I want to say two things to my hon. Friend. The first is that clearly there are lessons to be drawn in relation to our ability to regulate branches of banks that are supervised in countries where the regime perhaps leaves something to be desired. The second is that we are very conscious of the position of charities. My right hon. Friend the Minister for the Cabinet Office has been looking at the matter, and

charities—including, I think, representatives from the Christie hospital—met the Economic Secretary earlier this week. Indeed, they are also due to meet the Prime Minister shortly. We will continue to see what we can do. I understand my hon. Friend's point about charities and the differentiation that can be made for at least some of them and the larger local authorities, which might reasonably be assumed to have greater knowledge of how the system operates.

Dr. Vincent Cable (Twickenham) (LD): Given the excitement over the Governor's comments, yesterday was a very good day to bury bad news. Can the Chancellor explain the comments reported from a Treasury spokesman yesterday? The spokesman said:

"The asset protection scheme and the code of practice on taxation for the banking sector are separate issues."

That completely undermined the original terms of that arrangement, which required the full disclosure of all tax opinions. It suggested that the private banks had now won their battle to obtain support from the taxpayer under the asset protection scheme while continuing arrangements of large-scale tax avoidance at the expense of the British Government and maintaining intact their tax avoidance departments.

Mr. Darling: I do not know the quote that the hon. Gentleman is referring to. There are two distinct issues here, are there not? First, there is the asset protection scheme, which is designed to get credit flowing again and to ensure bank assets. As I said earlier, it is similar to the sort of thing that America and other countries are doing. There is a separate issue about the payment of tax by all companies, but the banks in particular. Both are equally important, because it is important that people pay what is due. On the hon. Gentleman's general points about yesterday, as I said to him before, I believe that what we are doing is absolutely right, not just for banking but more importantly for the wider economy.

T5. [266552] **Mr. David Chaytor** (Bury, North) (Lab): Now we know that the former directors of the Royal Bank of Scotland spent much of their last weekend in office plotting how to double the size of Sir Fred Goodwin's pension, is there not a more powerful case for some fiscal tightening over Fred's pension pot? Could the Chancellor give the House an update on the Government's efforts to scrutinise in fine detail the nature of that pension?

Mr. Darling: I said some time ago that UK Financial Investments Ltd., which holds our shareholding, and RBS are investigating that matter, with the lawyers looking at the position, and I have nothing further to add.

It is important that we deal with the problems that we have inherited, but it is also important that, at all times, we look forward. We have to ensure that we put RBS and, indeed, the Lloyds Group and any other bank in which we have shareholdings, on a proper and firm footing—that we rebuild them with the eventual aim of returning them to full, proper commercial operation, because that remains our intention. It is important that we keep our eyes on that and recognise, in RBS's case, that its new management are taking a different approach and doing what is necessary to repair the damage that has been done—and they will have our full support in doing that.

T3. [266550] **Tony Baldry** (Banbury) (Con): Does the Chancellor recall that last November my right hon. Friend the Leader of the Opposition and my hon. Friend the shadow Chancellor warned that if the Government pursued reckless levels of borrowing, the question would stop being one of how much the Government want to borrow from the markets and become one of how much more are the markets prepared to lend to the Government? Is it not now clear that those warnings have been fully vindicated and that the Government have reached the limits of trying to borrow their way out of the recession?

Mr. Darling: I do not agree with the hon. Gentleman. As the Leader of the House said yesterday, the head of the Debt Management Office said a few weeks ago that one must always be careful about reading too much into one particular auction. The hon. Gentleman may not know this, but today's gilt auction, which concluded less than an hour ago, was fully covered. I would be cautious before saying what he said, which suggests that there is something to be said for thinking before one speaks.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Will the Chancellor liaise with the Secretary of State for Work and Pensions to ensure that the hard-working staff at our Jobcentre Plus offices, who are delivering real support to people who are becoming unemployed, have the resources made available to enable them to continue to do the job that is needed and to work as hard as they are doing?

The Exchequer Secretary to the Treasury (Angela Eagle): I support what my hon. Friend says and offer my congratulations on the superb work that Jobcentre Plus staff are doing. They not only have, unfortunately, a higher number of inquiries to deal with, but are getting their average time in dealing with them down and managing to ensure that more people return to the labour market faster. The rate of getting people back into jobs in the current recession is 60 per cent. after three months, whereas in the last recession, when Jobcentre Plus was not properly funded, it was 45 per cent. Jobcentre Plus staff are doing a magnificent job, and we are relying on them to get people back into work as quickly as possible. We will provide them with the resources to do that; the Conservatives voted against it.

T4. [266551] **Mr. Andrew Robathan** (Blaby) (Con): May I take the Chancellor back to his answer to my hon. Friend the Member for Hammersmith and Fulham (Mr. Hands), and draw his attention to a notice in the window of Lutterworth Motor Spares in my constituency that went up in December? It says:

"Thanks Darling! The Chancellor has gifted the nation a reduction in...VAT...Hurrah!...Yippee!"

That is the employment of something called irony, which entails a certain amount of ridicule. Could the Chancellor tell my constituent, Mr. Baxter, and all the other small traders who have seen no change or benefit to their sales, why the VAT reduction was not an extremely expensive waste of time?

Mr. Darling: I gathered that it was meant to be ironic—I think that I got there before the hon. Gentleman felt it necessary to make the point. It would be nice to be appreciated in his constituency, but that is clearly not the case in one part of the high street.

My decision to cut the rate of VAT, which puts about £12.5 billion into the economy, will have an effect. It is not just there for one month, and it was not just there for Christmas. It is there for a 13-month period, and it has to be seen alongside a range of other measures: reducing tax for basic rate taxpayers, help for families and pensioners, and measures to bring forward construction. The difference between the hon. Gentleman and me is that I believe that Government have a duty to help the economy—and should do so—through times such as this, and he does not think so. The country will judge, but the lesson from the '80s and '90s is that if you do nothing, you will pay a heavy price.

Mrs. Ann Cryer (Keighley) (Lab): Can I ask the Treasury what is being done to encourage the Financial Services Compensation Scheme to redress the imbalance in contributions from the banks, at 5 per cent., and from the building societies, at 15 per cent.?

The Chief Secretary to the Treasury (Yvette Cooper): My hon. Friend has raised that issue with me, and I am due to meet her to take forward her concerns.

T7. [266554] **Mr. Michael Jack** (Fylde) (Con): The Chancellor of the Exchequer said in an earlier answer that he thought that the monetary policy being pursued would lower the cost of credit in the economy, but can I draw his attention to the fact that if, for example, someone wants to buy a motor vehicle, they will pay between 7 and 9 per cent. interest, while credit card rates are between 18 and 20 per cent. and mortgage rates, if one is lucky, are about 4 per cent.? When will the effect of the lower base rate reach the consumer in a way that will help to kick-start the economy?

Mr. Darling: The right hon. Gentleman should know, as he was a Treasury Minister during the last recession, that there is a difference between the Bank of England's base rate, what is charged for lending and what banks offer savers. Some banks are trying to offer a higher rate to savers, which in turn has to be paid for by a higher rate for borrowers. In general, low interest rates benefit people, such as those on tracker mortgages and so on, and many are seeing the benefit of lower rates. However, as I said earlier, the key is to ensure that we have sufficient credit, and credit at a price that helps the economy, which is what our measures are geared to do.

Mr. Eric Illsley (Barnsley, Central) (Lab): The Government are helping small companies in the area of taxation by making it easier for them to have a credit arrangement for tax payments. Could my right hon. Friend consider extending that assistance into the area of the status of certain companies, such as gross payment status? A company in my constituency is about to lose that status, which will put a considerable financial burden on them in the credit crunch.

The Financial Secretary to the Treasury (Mr. Stephen Timms): My hon. Friend is right to draw attention to the effectiveness of the time-to-pay arrangements that Her Majesty's Revenue and Customs has put in place. With agreements reached very quickly, £1.7 billion of tax has been deferred so far, and a large number of businesses have been able to continue when they otherwise might not have done. I would be happy to talk to him about the issue in his constituency, and look at the idea that he suggested.

Mr. Speaker: I call Andrew Selous.

T6. [266553] **Andrew Selous** (South-West Bedfordshire) (Con): Thank you, Mr. Speaker. I thought that I might have been too short to be noticed.

The Chancellor is responsible for ensuring value for money in public services, so what lessons does he intend to learn from the £1.4 million that has been "completely wasted", in the words of the principal of Dunstable college, on a new build project that was encouraged by the Learning and Skills Council over many years? That money could have been spent on students, and FE colleges up and down the country are in exactly the same position.

Yvette Cooper: The hon. Gentleman will be aware that there have been problems with the Learning and Skills Council and the decisions that it has taken at regional and national level. That is why the Secretary of State for Innovation, Universities and Skills has asked for a detailed inquiry and has been taking action, and why he is looking at areas that have been put in the position of having to consider their local colleges. The hon. Gentleman will know also that we have substantially increased investment in FE colleges from a baseline of zero—there was previously no money allocated for such additional capital expenditure. We are very clear that we need to keep investing in new facilities for FE, and I will certainly pass on his concerns about that college to my right hon. Friend the Secretary of State.

T9. [266557] **Mr. Simon Burns** (West Chelmsford) (Con): Do the Chancellor and the Prime Minister have full confidence in the Governor?

Mr. Darling: I have made it clear on a number of occasions this morning that the difference is not between me or the Prime Minister and the Governor. The difference is between those of us who do and those of us who do not believe that we should be supporting our economy, jobs and increasing credit to businesses and individuals. The difference is that we are taking action; the Conservatives would do absolutely nothing.

Business of the House

11.35 am

Alan Duncan (Rutland and Melton) (Con): May I invite the Leader of the House to give us the future business?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be as follows:

MONDAY 30 MARCH—A general debate on Africa.

TUESDAY 31 MARCH—A general debate on the economy.

WEDNESDAY 1 APRIL—Second Reading of the Geneva Conventions and United Nations Personnel (Protocols) Bill [*Lords*], followed by a motion relating to the Non-domestic Rating (Collection and Enforcement) (Local Lists) (Amendment) (England) Regulations 2009.

THURSDAY 2 APRIL—Motion on the Easter recess Adjournment.

The provisional business for the week commencing 20 April will include:

MONDAY 20 APRIL—A general debate on defence procurement.

TUESDAY 21 APRIL—Consideration in Committee and remaining stages of the Industry and Exports (Financial Support) Bill, followed by:

The Chairman of Ways and Means will name opposed private business for consideration.

WEDNESDAY 22 APRIL— My right hon. Friend the Chancellor of the Exchequer will open his Budget statement.

THURSDAY 23 APRIL—Topical debate: subject to be announced, followed by continuation of the Budget debate.

FRIDAY 24 APRIL—Private Members' Bills.

Alan Duncan: I thank the Leader of the House for giving us the forthcoming business. I thank her also for her thorough answer to my question last week about NHS trusts replying to Members' letters. It is encouraging that we can sometimes work together constructively on issues that affect all hon. Members and, more importantly, our constituents.

May I, however, protest that convention has been discarded by the Government's somewhat offensive decision to stick a topical debate in ahead of the second day of the Budget debate, which is traditionally opened by the shadow Chancellor? Will the right hon. and learned Lady undertake to reverse that unacceptable decision?

The draft National Assembly for Wales (Legislative Competence) (Housing) Order 2009, which would affect the right to buy in Wales, was laid before the House on 3 February and was down for scrutiny on Monday 23 March. That scrutiny did not take place. I would like to ask the Leader of the House why not and when the order will come to Committee. Even better, will she allow it to be taken on the Floor of the House?

Yesterday, the Government promised that there would be an announcement on the inquiry into the Iraq war on 31 July, a full 10 days after the start of the summer recess. Quite simply, that is not acceptable. Will the right hon. and learned Lady undertake to give us a statement on the remit and intent of that inquiry before we rise for the summer?

Once again, I stand here to request an urgent debate on Equitable Life. On Monday, the parliamentary ombudsman launched an excoriating attack on the Government's contemptuous treatment of her recommendations, and today in Treasury questions, the Economic Secretary compounded that by treating policyholders and this House with utter contempt. Because the Government's response has been, as the ombudsman put it, a betrayal of justice, and they have ignored her recommendations, she has decided for the first time ever to invoke powers to produce a follow-up report. When will we have such a debate, and when will the people affected be compensated?

Citizens advice bureaux are performing an invaluable service for the millions of people who are suffering grave financial difficulties in the recession, and we should do everything we can to support them. Instead, the Government's new network of community legal advice centres is squeezing out CABs and forcing them to make damaging cuts at exactly the wrong time. May we have an urgent debate on the Government's decision to tender legal services in that way, so that the House can put a stop to the callous destruction of CABs?

May we have a debate on the work ethic of Members of Parliament? Last week, we heard complaints from the Labour Chief Whip that at least 5 per cent. of his own MPs were completely idle. [HON. MEMBERS: "Where are they?"] Well, exactly. Today, the Government have lost three votes in the Apprenticeships, Skills, Children and Learning Bill Committee, because Labour MPs, including a Minister, did not even bother to turn up. In the interests of value for money, which the public expect, may I invite the Leader of the House—I hear calls for this from behind me—to list the 5 per cent. by name?

When it comes to performance, perhaps the right hon. and learned Lady will agree to be more forthcoming than she was at Prime Minister's questions yesterday. She refused to answer three questions from my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) on what the Government thought about the Governor of the Bank of England's warning about a second fiscal stimulus. It has now become apparent that the Government's entire economic argument has collapsed, to the extent that *The Independent* has today called the Prime Minister, "A haunted Prime Minister, marooned on his fantasy island". In a further fantasy, the Secretary of State for Children, Schools and Families has told the *New Statesman* that he wants to be Chancellor and Labour leader.

May we at least hope that the Prime Minister and Lord Mandelson can make the most of their visit to Brazil? *[Interruption.]* It is not where the nuts come from that matters: it is the nuts we send there who worry me. It could, after all, be the right hon. and learned Lady's "Evita" moment.

There is one little ray of sunshine. At last, one Minister has begun to take our advice and started making an apology. We are told that the right hon. and learned Lady got into a bit of a mess about whether the actor who plays Tony Blair, or Tony Blair himself, is the better looking. We have heard the words of her apology, "Tony, you are still the fairest of them all." One can but imagine his reply, "You know, I was a marvellous Prime Minister, but I got out in the nick of time."

Ms Harman: The shadow Leader of the House has complained that we have scheduled a topical debate for Thursday 23 April, when otherwise there would be

[Ms Harman]

continuation of the Budget debate. I am happy to accept his protests. That business was only provisional, so I will amend the business and make sure that there is a full day's debate on the Budget opened by the Opposition, who choose the topic.

The hon. Gentleman asked about the draft National Assembly for Wales (Legislative Competence) (Housing) Order 2009. We will make sure that it is properly scrutinised. The process is new, and we need to get it right.

The hon. Gentleman also asked about the Iraq inquiry. There was a debate about that, and I have nothing further to add in business questions. Nor do I have anything further to add to what Treasury Ministers said about Equitable Life.

I will raise with the Justice Secretary the hon. Gentleman's questions about citizens advice bureaux. The Government have strongly supported their work, which is even more important to help people who find themselves in difficulties because of the downturn.

The hon. Gentleman said that our economic argument had collapsed. Well, that is not the way everyone sees it. The former Tory leader of Thurrock council, Councillor Terry Hipsey, expressed a rather different view when he said:

"I've spent the last two-and-a-half years trying to keep this dysfunctional Tory group of Councillors together. Recently, after having some time to reflect, it has become clear to me that this group—and the Conservative Party more widely—are incapable of making the changes necessary to take Thurrock forward.

I've been increasingly impressed with the group of Labour councillors".

He went on to say that because of the excellent work of the local Labour Members of Parliament, my hon. Friends the Members for Basildon (Angela E. Smith) and for Thurrock (Andrew Mackinlay), and because of the work of the Prime Minister, he had decided to join the Labour party. We welcome him.

The hon. Gentleman raised the subject of the work ethic. I think that his point about value for money was very important. It is the case that 60 per cent. of Conservative Members have second jobs. That is why I think that the public will greatly welcome the fact that the Prime Minister—

Hon. Members: Behind you! Where are they?

Mr. Speaker: Order. The point is that we are here, and we must listen to the Leader of the House.

Ms Harman: Sixty per cent. of Conservative Members have second jobs, and I do not think that that is value for public money.

The hon. Gentleman raised questions about what he described as manoeuvring. He mentioned a number of Cabinet Ministers, but I think that the manoeuvring on which he ought to be focusing is that of the shadow shadow Chancellor against the Leader of the Opposition. I think that it is a case of Hush Puppies on the Leader of the Opposition's lawn.

The hon. Gentleman also mentioned my unfortunate gaffe in relation to Michael Sheen. Let me say that I think that he is an excellent actor, who is clearly capable of covering a diverse range of roles. He brilliantly played a socialist, Brian Clough. He also played the Prime Minister, Tony Blair. He is a great credit to his native country, Wales.

Kerry McCarthy (Bristol, East) (Lab): One of the many tasks that take up the time of Members of Parliament is handling constituents' worries about the way in which their benefits and tax credits are processed, and generally dealing with Government bureaucracy. May I urge the Leader of the House to call a debate on the Department for Work and Pensions report, published today, on how jobcentres and other organisations deal with customer complaints?

Ms Harman: I think that the Public Accounts Committee report—I am grateful to my hon. Friend for drawing attention to it—reflects a big improvement in jobcentres and the way in which those claiming benefits are dealt with. Obviously the Government will reflect on the report, but it should also be pointed out that, against a background of increased work for jobcentre staff, they are providing a much better service. I pay tribute to them for that.

Mr. David Heath (Somerton and Frome) (LD): I previously welcomed the two days allotted to the Report stage of the Coroners and Justice Bill, but last week's timetabling was a disgrace. None of the clauses relating to the reform of the coronial system were reached; nor, indeed, were the clauses relating to the law of homicide. The Government literally got away with murder.

May I draw the attention of the Leader of the House to another problem? It relates to the Committee considering the Apprenticeships, Skills, Children and Learning Bill, which was mentioned by the hon. Member for Rutland and Melton (Alan Duncan). Setting aside the Government's difficulty that only six of their 12 MPs on the Committee bothered to turn up—I would love to have heard the conversation between the Deputy Chief Whip, the hapless hon. Member for Brent, South (Ms Butler) and the Under-Secretary of State for Innovation, Universities and Skills, the hon. Member for Birmingham, Erdington (Mr. Simon)—126 clauses and 20 new clauses remain to be considered by a Committee that has only three sittings left. Some clauses may not be considered either in Committee or on Report.

I have a revolutionary suggestion for the Leader of the House. We should do something that is normal in another place and that used to be normal in this place: we should not have a restrictive timetable, and we should let this House scrutinise the Bill properly and fully. If there are difficulties later, the Government can react to them, and if there is a need to shorten speeches, no doubt you can intervene, Mr. Speaker, but the House should have its say on that important Bill, which would be welcomed by all.

Most Members are aware of the difficulties caused by endemic AIDS, tuberculosis and malaria in much of the developing world. The Global Fund to Fight AIDS, Tuberculosis and Malaria has been set up to deal with those issues. May we have a debate on the workings of the fund? The UK has a relatively good story to tell—quite properly, we have taken the lead—but there is still a shortfall between the fair share of the British contribution and what is actually being received by the fund, which is desperately short of cash. May we in this House consider how we can better help people suffering from those awful diseases in other parts of the world?

May we have a debate on the misuse of powers granted by this House to combat terrorism and serious crime? We heard a chilling report today about the number of local authorities that use surveillance powers for trivial purposes, and we hear repeated reports about the police using the Terrorism Act 2000 for inappropriate purposes, whether it is questioning 2,000 people at train stations—train-spotters are apparently a threat to the state—photographers taking pictures of London street scenes, anglers who make the mistake of fishing at night, or the hon. Member for Hayes and Harlington (John McDonnell) attending the House of Commons. Those cases involve misuse of those powers. May we have a debate?

Lastly, I do not know whether the right hon. and learned Lady has a Facebook account, and I do not know whether she has been poked recently—Facebook users know what that means—or whether she has been asked to intervene. My Facebook friends are very upset at Home Office plans to snoop on sites such as Facebook, Bebo and MySpace. May we have a debate on that disproportionate and unnecessary extension of state powers, which leads us, despite it being 2009, inexorably to "1984"?

Ms Harman: On the Coroners and Justice Bill, if we had not had a programme motion, we might have ended up with two days' discussion of inquests in camera. Twenty-five Members contributed to the first debate, which is why time was squeezed for the important discussions on murder. Because so many Members wanted to contribute to the first debate, exceptionally we allowed two days. If we had not had a programme motion, we would have ended up with two days' debate on the first question. The programme motion ensured that on the second day we discussed incitement to homophobic hatred and a Government amendment tabled in response to complaints from the Opposition and others about our data-sharing measures. We tried to be as helpful as possible. Even though we provided two days for debate, it was not possible to discuss all the issues when so many Members wanted to contribute on the first matter of inquests in camera.

We will make sure that the Apprenticeships, Skills, Children and Learning Bill is properly scrutinised.

On local councils and surveillance, local communities ask local councils to use CCTV to catch fly-tippers and stop illegal trading. Local communities ask for CCTV in shopping centres and their local areas, which has nothing to do with the misuse of anti-terrorism powers. Having said that, the Minister for Local Government has written to local councils reminding them that they should use their surveillance powers appropriately.

The hon. Gentleman asked about tackling disease in developing countries. He understands that we have increased the budget for developing countries to help to tackle disease. This Government played a leading role in the introduction of millennium development goals to deal with avoidable diseases, and we have worked to move up the international agenda tackling the problems faced by developing countries. Even in the midst of our preoccupation with the effect of the global downturn on this country, the Prime Minister has been sure to emphasise, through the work leading up to the G20, that we must act together internationally to protect developing countries from the downturn as well.

Martin Salter (Reading, West) (Lab): My right hon. and learned Friend will recall her comments about the problems facing charities such as Naomi House children's hospice, which serves my constituency and those of many other hon. Members, following the collapse of the Icelandic banks. Will she prevail on her colleagues in the Treasury to find a way to include charities such as Naomi House in the Financial Services Compensation Scheme, as it was never the intention to exclude all charities from the scheme, particularly those that care for terminally ill children?

Ms Harman: I reinforce the points that I have made about Naomi House providing an important service for families with children who need hospice care, and I know that my hon. Friend values that work. Naomi House was particularly unfortunate, because some 60 per cent. of its reserves were in one Icelandic bank. We want to ensure that the administrators ultimately cover all the deposits and that, ultimately, Naomi House gets its money back. However, that is not the point; the point is that Naomi House should be able to carry on doing its good work and extend it as planned. Last week, I spoke to the Minister of State, Department of Health, my hon. Friend the Member for Corby (Phil Hope), about the matter, and meetings are taking place between Naomi House and the local primary care trusts and strategic health authority. There is an absolute determination to support Naomi House's work in the future, as well as to make sure that it and other charities get back all the money held in Icelandic banks.

Sir George Young (North-West Hampshire) (Con): May we have an early debate and a vote on Equitable Life? At Treasury questions, the Executive declared war on Parliament, when a Minister spoke in disobliging terms about an Officer of the House and the unanimous report of a Select Committee. Before the Government spend too much time on the Chadwick review, does it not make sense to ensure that that review has the support of the House of Commons?

Ms Harman: I have nothing to add to what the Treasury Minister said, except to say that the matter can be raised in the pre-recess Adjournment debate. If the Opposition want a Minister specifically to respond to the point, they can raise the matter in an Opposition day debate.

Julie Morgan (Cardiff, North) (Lab): The importance of hospice care has already been mentioned this afternoon. I know that my right hon. and learned Friend is aware of how much hospice care depends on voluntary donations by the public and corporate bodies. On Saturday, I will open the spring fair for the George Thomas hospice in my constituency. In these difficult times caused by the global economic downturn, donations from the public and corporate donors decline. When can we have a debate on that important subject and on ensuring that hospices can continue their work?

Ms Harman: I hope that the spring fair for the George Thomas hospice goes well, and I know that my hon. Friend is a strong supporter of it. Perhaps we should have a topical debate on the effect on charities of the fall-off in charitable giving, particularly by corporate bodies, and discuss what our strategic response should be. I believe that all Members think that the work of the

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charitable and voluntary sector is very important indeed, and a debate might provide us with an opportunity to decide whether we are doing enough to protect it.

Angela Browning (Tiverton and Honiton) (Con): Now that the right hon. and learned Lady is taking an interest in the work ethic in this House, will she turn her attention to the work ethic of her fellow Ministers? In October, I wrote to the Economic Secretary to the Treasury on behalf of a constituent about bonuses paid by banks. As is my practice, I followed up with chaser letters, but to no avail, so we resorted to the telephone. On 3 March, my office phoned the private office of Lord Myners chasing a reply to my letter, only to be told that 900 letters were waiting to be signed by Lord Myners. When still no reply came, we phoned again on 24 October, and were told that approximately 950 letters were now waiting to be signed by Lord Myners. We have been invited to telephone his office yet again this afternoon. I wish the right hon. and learned Lady would do something about this.

Ms Harman: I will follow that up. It is important that hon. Members are able to get letters from Ministers promptly.

Gwyn Prosser (Dover) (Lab): Will my right hon. and learned Friend find time for a debate on the financial ineptitudes of shire county councils such as Kent, which invested £50 million of taxpayers' money in the failing Icelandic banks? Does she agree with the Audit Commission's findings published today, which label Kent county council's actions as neglect?

Ms Harman: It is very worrying that the Audit Commission has said that Kent county council did not properly check where the reserves were being put on behalf of ratepayers. I am sure that the Minister for Local Government will follow up this important point.

Richard Younger-Ross (Teignbridge) (LD): May we have a debate on the construction industry? The Government have said that the industry is important to provide economic stimulus; the Conservatives have said that no additional funds will be made available for that industry to provide that stimulus; the industry itself believes it can provide that economic stimulus. May we have a debate, so we can tell the industry what it can provide and when it can provide it, both as a short-term measure and a long-term strategy?

Ms Harman: Such issues will be reflected in the economic debate next week, and in the debate following the Budget statement.

Mrs. Ann Cryer (Keighley) (Lab): Is my right hon. and learned Friend aware that women working at the Driver and Vehicle Licensing Agency earn £5,000 per year less than men with very similar responsibilities who work at the Driving Standards Agency? Both agencies are part of the Department for Transport and both have Crown employees. May we have a debate on this matter?

Ms Harman: I thank my hon. Friend for that question. There will be plenty of opportunity to debate this when we introduce the equality Bill. The reality is that women are not less committed to their jobs, or less qualified, less hard working, or less valuable in the workplace, but they are paid less. We need a strong equality Bill to make sure we strip away the secrecy that allows discrimination against women at work to flourish.

Mr. Greg Knight (East Yorkshire) (Con): Is the Leader of the House aware that there is growing anger in East Yorkshire and across Humberside, and, indeed, elsewhere, over the behaviour of some private wheel-clamping firms? Does she know that although they have to be licensed, many of them still use threatening behaviour to extract exorbitant fines from unsuspecting motorists? If we cannot have a debate next week, will she ask the Home Secretary to expedite her review, so that we can soon have in place new rules to stop this licensed thuggery?

Ms Harman: This issue was raised with me in the House, and I discussed it with the Home Secretary. I think she fully agrees with the points the right hon. Gentleman makes on behalf of his constituents and those in his region, and when the review finally reaches its conclusion I am sure he will not be disappointed with its findings.

Mr. David Chaytor (Bury, North) (Lab): I recall that at last week's business questions three hon. Members raised the financial problems within the Learning and Skills Council. Since last Thursday, the chief executive has resigned and the implications of the financial misjudgments are now extending to other colleges that had in the pipeline not major capital projects but minor capital projects for which they could reasonably expect to receive a smaller contribution from the LSC. Will my right hon. and learned Friend find time for a debate, because it would enable us not only to remind the country that in the last year of the previous Conservative Government there was no capital budget for further education and that in the last three years of the previous Conservative Government a 7 per cent. annual cut in FE revenue spend was required, but to see exactly how the current Government can resolve this problem?

Ms Harman: It is right to point out that under the Conservative Government the capital budget for learning and skills in further education was not mismanaged because there was no such budget. I think there has been mismanagement and, as my hon. Friend says, the chief executive of the LSC has resigned. At the request of the Secretary of State for Innovation, Universities and Skills, Sir Andrew Foster is conducting a review. I think it is likely that there will be an oral statement when the review is concluded, and Members will have a chance to hear from the Minister and raise points.

Sir Nicholas Winterton (Macclesfield) (Con): Members on both sides of the House have raised with the Leader of the House their concern about the iniquity of the surface water charges being levied by water authorities and water companies. In my own area, United Utilities has declared a temporary moratorium for village halls, Scout organisations, churches and sporting clubs, but will she find time for a topical debate, because this House has never decided that such charges should be levied, and in my view they are unfair and iniquitous and place burdens on organisations that clearly do not have the money to pay?

Ms Harman: This is an important issue, particularly for village halls, Scout groups and churches. It might be worth while for the hon. Gentleman to raise it with Department for Environment, Food and Rural Affairs Ministers at oral questions next week.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): May I return to the debacle over the LSC's total mismanagement of the Building Colleges for the Future programme? It was discussed in a Westminster Hall debate yesterday that was so over-subscribed that many Members were not called to speak. That was not surprising given that 144 new college build schemes have now been put on hold, including the College of West Anglia scheme in the town of March in my constituency, which was linked to 270 new homes under the regional spatial strategy for Cambridgeshire, a new country park, a £500,000 business centre and significant transport improvements, not to mention a massive uplift in education provision for an area with performance indicators well below the national average. May we have a debate as a matter of urgency to explore the reasons behind this massive Labour Government cut in education spending, and to find a way forward for those colleges, which are now in truly parlous situations?

Ms Harman: The hon. Gentleman ought to reflect on the fact that this is mismanagement; it is not a cut, as we have increased the LSC's budget. We make no bones about the fact that there has been mismanagement by the LSC, but 261 college projects are going ahead, although in saying that I do not seek to minimise the problems for the 144 that are not. I know this is of concern to the House, because plans have been made and money has been spent in areas that were expecting the colleges to go ahead. I know the House will want to discuss this further. We will probably start with an oral statement, and then we will have to reflect on whether there needs to be a further opportunity for debate.

Mr. Lindsay Hoyle (Chorley) (Lab): I know that the Leader of the House has already been asked to arrange a debate on Equitable Life, but will she use her good offices to see whether we can speed up payouts to Equitable Life policyholders? I ask that because there is not a constituency in this country that has not been affected.

Ms Harman: I know that this matter was addressed by Treasury Ministers this morning, and I am sure that they, like my hon. Friend and I, and, indeed, all hon. Members, want the ex gratia payment scheme to come into effect as soon as possible. It should be a matter of priority that those who are in most difficulty receive payments first.

Mr. Edward Garnier (Harborough) (Con): May we have an urgent debate on the tax treatment by HMRC of sporting stars' testimonials? The committee representing one of my constituents has been trying to get an answer out of HMRC about the tax treatment of a sporting star's testimonial. It is clear that HMRC deals with cricketers and rugby players differently, and that there is a massive amount of delay, confusion and disarray in HMRC on this matter. All that the committee that looks after the affairs of my constituent is getting from HMRC is confusion, delay and obfuscation. If we cannot have an urgent debate, will the Leader of the House urge Treasury Ministers to see me and members of the committee?

Ms Harman: I do not know whether the hon. and learned Gentleman tried to put a question to Treasury Ministers, but if he did not manage to catch the Speaker's eye earlier it would probably be a good idea for him to follow this up with a written question. In any case, I shall bring the fact that he has raised this matter to the attention of Treasury Ministers.

Stewart Hosie (Dundee, East) (SNP): When the Leader of the House left Prime Minister's questions yesterday, she missed three points of order made by my hon. Friend the Member for Moray (Angus Robertson), and the hon. Members for Meirionnydd Nant Conwy (Mr. Llwyd) and for East Londonderry (Mr. Campbell), which can be found at column 308 of *Hansard*. Each of them contradicted the statement she made yesterday that this Government were not cutting spending, as that is indeed their plan for Belfast, Edinburgh and Cardiff. May we have an urgent debate in Government time on the impact of Government cuts to the nations and the Province, and will she lead it so that she can, at least and at last, bring herself up to speed with Government policy?

Ms Harman: I am up to speed with Government policy, and I know, as the hon. Gentleman does, that the Barnett formula applies to Scotland. I can also tell him emphatically that of course we are not cutting spending in Scotland and Wales at the very time when public spending is more important, as the country faces this global economic crisis—it is absolutely not the case that we are cutting spending now, in a recession. He is referring to the determination to ensure that across England, Scotland and Wales we get better value for public money spent. In Wales and England, a commitment has been made to secure 3 per cent. more efficiency in how public money is spent, but the Scottish Executive want to sign up to only 2 per cent.—that is 1 per cent. less than in England and Wales. They should be prepared to show as much determination to ensure that public money is well spent as their counterparts in England and Wales, and they should not peddle the myths that we are cutting money to Scotland and that I do not know what I am talking about, as both of those are wrong.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): May we have a debate on regional development agencies? The south-west's RDA is putting more money into Swindon, Bristol, Exeter and Plymouth than it is into the rural areas. Somerset, which is a tourist destination, as the Leader of the House is well aware, is finding it harder—or impossible—to get decent sums out of the RDA, as is Bridgwater, which is the only industrial town in the south-west. Please could we look carefully at what is happening, because if this continues in this recession, it will be harder and harder for investment to come into our areas because of the RDA's attitude?

Ms Harman: The work of the RDAs is even more important as the country faces this economic downturn. Hon. Members surely wish to be able to hold RDAs to account for the balance of spending within a region, and the best way of doing that is by being on the relevant Regional Committee. Following the decision of the House, we are trying out Regional Committees only for the lifetime of this Parliament, so Conservative Members should at least try them. If, afterwards, they

[Ms Harman]

think that the Committees are a waste of time, they can say, "I told you so", but they will not even try them. If they have these concerns, they should get on the Regional Committees and see whether they can help.

Mr. Nigel Evans (Ribble Valley) (Con): I think that when the Chief Whip said that he thought 5 per cent. of Labour MPs were not pulling their weight he was confused; what we have seen today is that about 5 per cent. of Labour MPs are pulling their weight—and that does include the Leader of the House. I hope she can use her weight to get a debate on the lack of educational psychologists in this country, particularly in Lancashire. One of my constituents wrote to me about the cancellation of an appointment with an educational psychologist. When I wrote to the county council, it said it was having great difficulty recruiting any educational psychologists. There is clearly a lack of them throughout the country, so can we have a debate on the issue?

Ms Harman: I shall raise that point with my ministerial colleagues in the Department for Children, Schools and Families. I take it that my colleagues are happy to leave me to get on with putting to the House the business of the House while they work hard in their constituencies.

Mr. Andrew Mackay (Bracknell) (Con): The Leader of House will have noted that Lord Myners responded in writing to the Treasury Committee admitting that he had—no doubt, mistakenly—given false evidence to it the week before and did understand and know all the details of Sir Fred Goodwin's pension. In the light of that, should we not have a statement from the Chancellor, and should not Lord Myners be considering his position?

Ms Harman: No, he should not. I did not watch all of Treasury questions, so I do not know whether this matter was raised. The focus of Ministers, particularly Lord Myners, in relation to Royal Bank of Scotland was on the fact that one of the biggest banks in the world was about to go off the edge of a cliff. His and our determination was to ensure that that did not happen, as it would have had catastrophic effects on all the staff in the organisation and on the whole banking system—in particular, on depositors. That was the main focus of his work, and it was the correct one. We are looking to see whether the pension arrangements really do hold water legally.

Mrs. Maria Miller (Basingstoke) (Con): I wish to add to the calls for a debate on further education, as the crisis in funding is hitting my constituency hard. The Government's response in yesterday's Westminster Hall debate was shambolic, and the Leader of the House needs to intervene urgently so that we can get either the oral statement that she has talked about or a debate, including a response from the Secretary of State, so that colleges in my constituency can get the reassurance they need for the future.

Ms Harman: I will undertake to listen with genuine concern to the points raised by Conservative Members on further education colleges in their constituencies if they will reverse their plan to impose £600 million of cuts. I am concerned about FE colleges, be they in my constituency or in the hon. Lady's, but the fact is that her party's plans are to cut £600 million off—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Mr. Speaker has already given advice to the Government Front-Bench team this morning about referring to Opposition policies, so to be consistent I should restrain the right hon. and learned Lady at that particular point. While I am on my feet, may I also say that I want to try to call all Members, but it would be very helpful if the questions were brief and the answers equally concise?

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Last week, the Leader of the House said that she took seriously the points I made about the need for this House to scrutinise legislation. May I suggest to her constructively—we recognise that two days were given on the Coroners and Justice Bill and more time was given in Committee—that the solution must be that discussions be held about whether programme motions can be negotiated and agreed and we, in turn, can agree to restrictions on the length of speeches on Report, if necessary? That would mean that everything we need to have debated could be debated, and everybody would win. Will she engage constructively in those discussions?

Ms Harman: The Government Whips do engage in discussions with their opposite numbers, and we will always try to get as much scrutiny as possible. We did see whether changes could be made that would meet with approval from all parts of the House, but some Members wanted to spend more time discussing the inquests in camera issue whereas others wanted to spend more time discussing murder and assisted suicide, and it was not possible to reach an accommodation with which everybody agreed.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): I welcome the fact that we are having an early debate on the economy, but I regret the fact that the Prime Minister will not speak for the Government. May I suggest that we rearrange the debate so that he can? Given the evidence of the chairman of the Financial Services Authority and the Governor of the Bank of England, it is plain that the Prime Minister has a huge personal responsibility for the economic plight of this country. Given that, to organise a debate without the presence of the Prime Minister is rather like organising a criminal case without the principal defendant being in the dock.

Ms Harman: When making statements following international meetings, the Prime Minister deals extensively with economic issues, and he answers questions in the House every Wednesday.

John Bercow (Buckingham) (Con): Given that we have 80,000 prisoners in this country, that two thirds of them reoffend within two years of release, and that the whole system, including reoffending, costs £18,000 million a year, is it not time that we debated the Centre for Social Justice report "Locked Up Potential", which calls for the scrapping of the three planned Titan prisons, for community prisons in their stead, and for an increased focus on education, training and rehabilitation?

Ms Harman: That point was raised yesterday in Prime Minister's questions, and I shall raise it with the Justice Secretary.

Several hon. Members *rose*—

Mr. Deputy Speaker: Order. We have not reached the acme of brevity for which I was hoping.

Mike Penning (Hemel Hempstead) (Con): Last week, I asked the Leader of the House whether we could have a debate on the future of the Hemel Hempstead hospital. She said that I should have given her notice. I have raised the issue 25 times in business questions, and I would have thought that was enough notice. Since last week, the Highways Agency has put up new signs at junction 8 of the M1, displaying "Hospital A&E". It is closed: will the Secretary of State for Transport come and explain why he is leading people astray?

Ms Harman: I think that it is the Secretary of State for Health that the hon. Gentleman is after. Did the hon. Gentleman ask a question about this at Health questions on Tuesday? It is a matter for Health questions rather than business questions.

Mr. Peter Bone (Wellingborough) (Con): On Monday, the Prime Minister was slightly confused. When trying to dodge the Leader of the Opposition's question about why the Prime Minister was not reporting to Parliament on the G20 summit, he said that the date of the summit had been arranged months after the Easter recess. In fact, the Easter recess was decided on 11 March this year, but the G20 was announced on 26 November last year. Can we get the Prime Minister to come this Thursday to report on the G20 summit?

Ms Harman: The Prime Minister takes his responsibilities to account to the House very seriously. I do not know the exact numbers, but I think that he has made more statements to the House than most other Prime Ministers—I will look up the figures. No doubt the Prime Minister will want to account to the House in respect of the G20 summit.

Angela Watkinson (Upminster) (Con): A number of local authorities have been found by the Audit Commission to be financially negligent in their investments with Icelandic banks, including the London borough of Havering, which is noted for its financial probity. May we have a debate on the exact nature of the warnings that were given, where the information came from and how it was communicated, because this will be a matter of great concern for local taxpayers?

Ms Harman: It will be a particular concern to the seven authorities that were mentioned, and perhaps that is an issue on which hon. Members could apply for a debate on the Adjournment.

Mr. James Gray (North Wiltshire) (Con): Our suspicion that the disgraceful curtailment of debate on the Report stage of the Coroners and Justice Bill on Monday had more to do with chicanery over the issues of assisted suicide and murder than anything else was confirmed by the fact that the following day, at 11.20 am, we received a wodge of letters from the Under-Secretary of State for Justice, the hon. Member for Lewisham, East (Bridget Prentice), the Minister on the Bill, answering a variety of questions asked in Committee—on which I served—about the coronial system. Ministers replied after any opportunity to debate the matter in the House. Does the Leader of the House agree that that is an appalling waste of ministerial time, and what can she do to ensure that it does not happen in future?

Ms Harman: I have looked, in some detail, into how we could have ordered things differently—[Hon. Members: "More time!"] Well, we had two days on Report, which was exceptional. I will look at the issue again to see whether any lessons can be learnt, but I ask hon. Members to recognise that there was no chicanery. We have no interest in anything other than proper scrutiny of the Bill. I cannot see how we could have tried harder to reach agreement, but I will look at that again.

Mr. Henry Bellingham (North-West Norfolk) (Con): Further to the question asked by my hon. Friend the Member for North-East Cambridgeshire (Mr. Moss), is the Leader of the House aware that the College of West Anglia was planning not only a new campus in March, but a £100 million-plus new campus in King's Lynn on a brownfield site, on which depended new houses, business units and a new city academy? What does she say to those colleges that have spent large sums preparing such plans? May we have a debate and a confirmation that if those plans are cancelled, the colleges will get their money back?

Ms Harman: We await Sir Andrew Foster's report. The Secretary of State will report to the House and there will then be announcements and an opportunity to discuss how we go forward beyond what is clearly bad mismanagement.

Mr. Mark Harper (Forest of Dean) (Con): The Leader of the House will know that many Members of Parliament have had many letters from constituents about Equitable Life. My right hon. Friend the Member for North-West Hampshire (Sir George Young) mentioned the comments by the Economic Secretary. In my right hon. Friend's polite way, he described them as disobliging remarks about an Officer of the House. Does the Leader of the House agree with the Economic Secretary? If she does, does she not think that that is in conflict with her position as Leader of the House and guardian of the rights of Members?

Ms Harman: I did not hear what the Economic Secretary said, but I was present when the Chief Secretary made her statement. She acknowledged that there had been errors in management of Equitable Life that went back to the 1980s; that there had been regulatory failures for which apologies were owed and had been given; and that although there was no legal obligation to pay compensation the Government were determined, exceptionally, to make payments in recompense and a system for doing so was being established.

Philip Davies (Shipley) (Con): May we have a debate on the NHS's recruitment priorities? I recently attended No.10 Downing street with an excellent organisation called midwivesonline.com to complain about the lack of midwives, and many of my constituents still find it very difficult to find an NHS dentist, but last year the NHS recruited an extra 9.4 per cent. of managers. Surely the resources of the NHS should be directed at front-line care, rather than bureaucrats filling in forms to meet Government targets?

Ms Harman: The hon. Gentleman could have asked that question in Health questions earlier this week.

Dr. Julian Lewis (New Forest, East) (Con): The Political Parties and Elections Bill is now before the upper House. The Leader of the House may be aware that two

[Dr. Julian Lewis]

Liberal Democrat peers have tabled an amendment to strike out the new clause about confidentiality of candidates' home addresses, which was included in the Bill after a free vote for Conservative and Labour Members, but a whipped vote against for Liberal Democrats. What would the Government's attitude be in the strange event of the upper House deciding to overrule a free vote in the lower House about whether our home addresses have to be revealed when we stand for election—something that Members of the upper House, fortunately for them, do not have to do?

Ms Harman: I voted for the hon. Gentleman's amendment on a free vote. I assume that if the issue comes back to this House, it will be subject to a free vote again, and I would vote for it again. Our constituents are entitled to know whether candidates live in the constituency, but they should not necessarily know the flat number or road, so the amendment was a sensible one.

Mr. Graham Stuart (Beverley and Holderness) (Con): I am grateful to the Leader of the House for saying that the Apprenticeships, Skills, Children and Learning Bill will receive proper scrutiny. I would be grateful if she explained how that will happen.

To return to the issue of Equitable Life, there was an extraordinary statement by the Economic Secretary earlier. The Select Committee has described the Government position as "morally unacceptable". Surely it is cause enough for a debate in this House when the ombudsman and the Select Committee are in direct opposition to the Executive. The Leader of the House has so far ducked the question. May we have a debate—

Mr. Deputy Speaker: Order. As the hon. Gentleman was the last to be called, I indulged him with two questions, but he is now pushing it.

Ms Harman: It is open to the Opposition to choose that subject for an Opposition day debate.

Council Tax

12.30 pm

The Minister for Local Government (John Healey): With permission, Mr Speaker, I should like to make a statement on council tax in England and the capping action that the Government propose to take for 2009-10. Today, the Department has released figures showing that the average band D council tax increase in England next year will be 3 per cent., the lowest increase for 15 years. The average council tax rise for all households will be 2.6 per cent., the lowest ever since the council tax was introduced.

There are three reasons for that. First, Government funding for local services is rising by 4.2 per cent. in 2009-10—an extra £3 billion and the 12th successive annual increase above inflation for local government since 1997. Secondly, local authorities are taking seriously their responsibility to residents to tighten their belts and operate more efficiently. Thirdly, although I know local government does not like it, council tax capping helps concentrate the minds of councils. I have consistently said that we will take tough action when it is necessary to protect council tax payers against excessive increases—I said so to the House in November in my statement on the provisional local government finance settlement.

I therefore want to set out for the House the action that we are now taking. Our capping principles relate both to an authority's council tax and to its budget requirement, which, broadly speaking, is the spending financed through the formula grant and council tax. I can confirm that our capping principles are that authorities' 2009-10 requirements are excessive if they set a budget requirement increase of more than 4 per cent. for 2009-10 or a band D council tax increase of more than 5 per cent. For an authority that was set a notional budget requirement following capping action in 2008-09, these principles operate by reference to that notional budget requirement and a related notional amount of council tax calculated for that year. The principles are described in more detail in a report that I am placing in the Library of the House.

I realise—especially as I look around the Chamber—that not all Members will be familiar with the concept of a notional budget requirement. Put simply, it is one of our capping options. It involves the Government's setting figures for an authority against which their future increases are compared—last year, those figures were equal to the caps that would otherwise have been imposed in year in 2008-09. The requirement puts a greater onus on authorities to control their budget and council tax the following year, as they are measured against the lower baseline.

Of the eight authorities against which we took capping action in 2008-09, four were set notional budget requirements. They were Bedfordshire, Norfolk and Surrey police authorities and Portsmouth city council. This year, two authorities have exceeded the principles I have announced. They are the police authorities of Derbyshire and Surrey. All other councils, police authorities and fire and rescue authorities have set increases within the limits I am confirming today.

Derbyshire police authority has increased its budget requirement by 4.99 per cent. and its council tax precept by 8.68 per cent. Surrey police authority has increased its budget requirement by 4.82 per cent. and its council tax precept by 7.07 per cent. compared with the notional

levels set last year. I am disappointed that Surrey has set an excessive increase for a second successive year. This is the first time under current legislation that we have had to take action against an authority more than once.

Let me make it clear to the House that I am not announcing a cap on the council tax of Derbyshire and Surrey police authorities. I am starting a process that could lead to that. The authorities have a right under the legislation to challenge the proposed cap and to seek to justify their decisions. We will consider carefully all the representations the authorities may make before reaching any final decisions. Today I am writing to the chairs of the two police authorities confirming that I and my hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing will meet them personally to hear their case in person. After that, when we have considered any case made by the authorities, we can proceed either to designate—or cap—the authority for 2009-10, either at the level proposed today or at another level, or to nominate an authority, which means either capping the authority for next year, 2010-11, or setting a notional budget requirement for 2009-10 as the baseline for any future capping decisions.

Confirming a cap for this year would require the authority to re-bill residents for a lower council tax, with the cost falling on the capped authority. All authorities set their budget requirements and council tax in the full knowledge that excessive increases could lead to re-billing, so they can have no complaints about this.

The capping principles I have announced today are expressed in terms of band D council tax. That is because the band D amount that authorities are required to determine is set out by the legislation. However, the average household pays around £240 less than the band D amount and the increase for average council tax next year is 2.6 per cent, the lowest increase ever since the council tax was first introduced by the Conservatives in 1993.

I would like to end by looking ahead. Central Government funding increases, the concerted efficiency effort of many authorities and our commitment to tough capping action have resulted in some of the lowest council tax increases ever seen. Nevertheless, council tax payers will not be pleased to see that 86 authorities have set band D increases of more than 4.5 per cent., especially during this period of economic pressure all round, while 39 of these authorities have set rises of between 4.9 per cent and 5 per cent. Some suggest that that is because such authorities believe the Government have in place some standing 5 per cent cap. That is not the case. The Government have always been clear that our purpose when setting capping principles is to protect council tax payers from excessive increases. In the current economic climate, keeping council tax under control is more important than ever.

So I put all authorities on notice for next year. It would be a serious mistake for any local authority to assume that the principles I have announced today for this year are in any way a guide to the approach or the levels I may set in future years. I commend the statement to the House.

Robert Neill (Bromley and Chislehurst) (Con): I thank the Minister for providing advance notice of his statement. As hon. Members will know, he is unfailingly courteous and he unfailingly manages to put the most outrageous spin on events in the most reasonable fashion.

May I ask the Minister to help me on a few matters? Is not the reality behind the Minister's words and this year's figures the fact that since 1997 council tax bills will have risen by £726 a year on band D, the band that is the basis of the statutory measure? Given that has happened across the board, in councils of all types and all political compositions, will the Minister accept that the Government must take responsibility for these hikes? Council tax bills are rising by £41 this April, compounding those previous rises. At a time when millions face losing their jobs or are suffering pay freezes, is that good sense? Is it sustainable that council tax bills are taking almost £120 from the pockets of families? Is it acceptable that council tax has gone up by an inflation-busting 105 per cent. on this Government's watch? Is not the reality that the Government inherited a local government finance system that worked and that has at least been consistent—*[Interruption.]* I simply refer to a comment made by the Government in their 1998 local government Green Paper. It said:

"The council tax is working well as a local tax. It has been widely accepted and is generally very well understood."

Of course, that was before the Labour party got its hands on it. The reality is that the Government have managed to break the economy and the local finance system as well.

I hope that the Minister can help me on a couple of other specifics. Is not the 4.2 per cent. figure that he uses less than the whole picture? It relates to an increase in all grants, whereas the increase in formula grant—the only area where local councils have discretion—is considerably less?

The Minister is right to say that the efforts of local authorities should be appreciated, but might not that be because the Conservative party controls more councils than Labour and the Liberal Democrats put together? Would he care to reflect on that?

Will the Minister confirm that one third of the basic state pension has been taken up in these council tax increases? Why has the proportion of pensioners claiming council tax benefit declined from three out of four to one in two on this Government's watch? Why has the Audit Commission raised concerns about the method of funding distribution? It has said that

"grant redistribution…has led to some councils putting up council tax more than others."

Does that not raise the suspicion of fiddled funding? Is there not a need for a clearer and more transparent basis for setting the criteria for formula grant allocation?

Can the Minister help me in relation to capping? Is he aware that the small print of the statistical release shows increases in parish precepts of 5.8 per cent., which come on top of the 8.1 per cent. rise last year and the 6.7 per cent. increase the year before?

The Minister referred to the increase in the grant for police authorities, and two questions arise from that. First, is there not a need for greater and more direct electoral accountability of police authorities? Secondly, is there not a need for a control that is more effective than the crude capping device? Instead of imposing a cap, would it not be better to give local residents the opportunity to decide in a local referendum?

Does the Minister regard it as acceptable that there is to be yet another council tax freeze in Scotland this year? It will mean that Scottish tax bills will be £265 less

[Robert Neill]

than in England, so might it not be time for the Government to adopt a policy of freezing council tax in England as well?

Will the Minister confirm whether the Government intend to carry out a revaluation after the next general election? He will know that the suspicion is that they do: if so, that will be a further council tax stealth tax. Otherwise, can he explain why the Valuation Office Agency recently renewed its contract with Rightmove, which allows it to plunder estate agency records to find out how many bedrooms, bathrooms and parking spaces each home has? If there are no revaluation preparations, why has the contract been renewed and public money spent on it? It was said to have been drawn up explicitly for a revaluation. I remind the House that the VOA is the same agency that made such a mess of the ports revaluation that we debated in this House only yesterday.

I hope that the Minister will bear it in mind when he answers those questions that the council tax is the most sneaky of the Government's stealth taxes. It is cooked up in Whitehall, but it is councillors on the front line who take the flak and the Government hide behind them.

Despite the Minister's courtesy and the reasonableness of his spin, today's announcement means that families will have to pay an extra £40 a year in the middle of a recession. That demonstrates a serious lack of reality on the Government's part.

John Healey: I shall try to respond to the wide range of questions posed by the hon. Gentleman, but he can hardly say that the council tax is a stealth tax. Each year, the council tax settlement is debated and approved in this House, and the Minister in charge makes a statement, as I have done today. One of the difficulties is that the council tax is one of the most visible taxes, given the bills that residents receive.

At the outset, the hon. Gentleman asked me to make the case for the level of local government funding. Next year, there will be a 4.2 per cent. increase in the total Government grant to local authorities, which means that, for the 12th year in succession, local councils will get an above-inflation annual increase from this Government. The direct comparison is that they suffered a 7 per cent. cut in real terms in the last four years of the previous Conservative Government.

I did not want to make this debate political, but the hon. Gentleman asked me to say what the position really is. I can tell him that the council tax for the average home is £204 lower in Labour areas than in Tory areas, and £134 lower than in Liberal areas. The rise this year in Labour areas is lower than in both Tory and Liberal areas.

The hon. Gentleman asked about the grant distribution and pensioner take-up of council tax benefit. Both matters were debated last month when this House examined and approved the local government finance settlement.

Finally, it is true that we do not have the legislative powers to take action against excessive rises in parish council precepts. We expect parish councils to set their budgets prudently and to take residents' views into account and to respond to them. However, if it is necessary to take further steps or powers to deal with parish and town council precepts that become excessive for local council tax payers, we will do just that.

Sarah Teather (Brent, East) (LD): I thank the Minister for giving me advance notice of his statement. He lauds the 3 per cent. rise in council tax as a success, but does he recognise that it is still higher than inflation—as it has been every year? Does he also recognise that council tax is felt more keenly than any other tax, because it is paid straight out of people's disposable income? As he acknowledged, many families are finding it very difficult to make ends meet at the moment. If both partners lose their job, they receive council tax benefit to meet the cost of the tax, but does he accept that the family will get landed with a large and unaffordable bill if just one partner becomes unemployed?

Does the Minister also recognise that what is happening in many families is that, although people are not necessarily losing their jobs, their employers are cutting back on their hours because of the recession? In that situation, of course, there is no safety net. Does he thus accept that it is time that we completely reformed the system and introduced a fair tax based on people's ability to pay?

Does the Minister also recognise that, in a recession, councils face both falling incomes and rising demand for their services? Their income streams from planning and leisure services, and even interest rates from investments, are all drying up, yet more and more vulnerable families, desperate for help, are arriving at their doors. In the light of that, will he commit to a moratorium on unfunded Government mandates to local authorities? Does he recognise that they will only make things worse?

I was aghast to hear the final sentence in the Minister's statement. If he were really serious about wanting to keep council tax low for British families, he would set out the principles for capping—if capping is what he has to do—well in advance, so that councils can plan before they set their budgets. Instead, we go through the same macho charade every year: the Government threaten councils with draconian action but will not tell them what they need to do to avoid the penalty, and the inevitable result is that council tax payers pick up the bill for the cost of rebilling local residents. Worse, that approach destroys any constructive relationship between central Government and local government. It is high time that the Minister stopped behaving like a playground bully in that regard, and started behaving like a responsible partner.

John Healey: I have not been accused of being a playground bully before, but I am glad to welcome the hon. Lady to the Liberal Front Bench for the first time in our dealings on local government.

I am not clear whether she is against council tax capping—

Sarah Teather: I am.

John Healey: The hon. Lady confirms that she is against council tax capping but, combined with the increases in Government funding for local government funding, it is part of the reason why we have seen the lowest council tax rises ever in five out of the past six years.

The hon. Lady is against council tax capping, but she also wants us to declare well in advance what the level of cap will be. The effect of that would be that many

councils would set their council tax up to that level. That is not a good way of dealing with the issue or of protecting council tax payers.

The hon. Lady is right about the pressures on local authorities. Like the Government, local government faces a demand for services as well as a reduction in some of its income streams. Most local councils have coped well over the last year, but it is clear that all local councils will have to do more this year to step up their drive to deliver their services more efficiently, as well as bringing in what may be necessary to support people through this difficult time.

On council tax and housing benefit, the hon. Lady is right that part of the consequence of the economic downturn is a bigger demand on front-line service staff who are trying to deal with and support people through the claims process. That is why we have allocated local councils an extra £45 million for that purpose.

Finally, for some time there has been a system in central Government such that if any Department places an extra responsibility or burden on local authorities to deliver services or to carry out functions they have not previously undertaken, it is the responsibility of that Department fully to fund them. It is my job as Minister for Local Government—whether or not I act as a playground bully—to ensure that other Departments fully fund any extra responsibilities they place on councils. That is precisely what we do at the moment.

Mr. David Chaytor (Bury, North) (Lab): Last month, the Conservative council in Bury set a council tax rise of 4.99 per cent. At the same time, it introduced several million pounds-worth of cuts, including promises to privatise the youth service and switch off street lights in the middle of the night. Two weeks ago, we learned that the council had turned down the offer of £8 million of grant from the Government to support the Building Schools for the Future programme in the coming financial year.

The good news is that as of yesterday the Conservative majority of one has disappeared after the arrest for blackmail of Councillor Peter Redstone, the former Conservative—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. There has been quite a long statement, so I hope we shall have a question. Has the hon. Gentleman formulated one in his mind?

Mr. Chaytor: I have formulated the question, Mr. Deputy Speaker. As Bury council now has no overall control, and in the context of the arrest of the former finance spokesperson, will the Minister look carefully at this year's budget in Bury and the planning for next year's budget too?

John Healey: I have heard what my hon. Friend has said. It is clear that things in Bury have gone badly since Labour stopped running the council. From what he has told the House this afternoon, it is also clear that the council is looking for some soft targets to make easy cost cuts, which is in contrast to what many other councils are doing. They are giving priority to trying to protect and in some cases improve the services that people most need and, in particular, they are stepping up services and support for young people in our community. I am disappointed to hear that my hon. Friend's council is not following suit.

Mr. Patrick McLoughlin (West Derbyshire) (Con): With reference to the Minister's proposals as they concern Derbyshire police authority, may I point out to him that the authority described its budget for this year as a standstill budget? If he decides that the authority has to reduce its expenditure, does that not mean that front-line services will fail? Will he confirm that Derbyshire is the fourth worst-funded police authority in the country and that if it was funded as well as the authority in the constituency of the Minister for Security, Counter-Terrorism, Crime and Policing, who is sitting next to the right hon. Gentleman on the Treasury Bench, it would not have the problems that required it to raise that amount of money? Will the right hon. Gentleman confirm that Derbyshire is the fourth worst-funded police authority in the country?

John Healey: No, I will not, but I will tell the House that Derbyshire police authority is not just getting the 2.5 per cent. rise that all police authorities are guaranteed by the floor that my hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing is putting in place for funding. Instead, the authority is getting a 3.2 per cent. increase this year, which does not even take into account more than £14 million in specific grants and other funding that my hon. Friend has decided Derbyshire also needs to maintain its police services.

Derbyshire will have the chance to lay out its case. If the authority wishes, it can do so in person to me and my hon. Friend. After that we will assess the extent to which we may need to proceed, with the options I set out to the House, having started a process that does not impose a cap today but could in the end lead to that for Derbyshire and Surrey police authorities. If the right hon. Gentleman and other Derbyshire Members wish to make representations to my hon. Friend and me, we will consider having a meeting to hear them.

Joan Walley (Stoke-on-Trent, North) (Lab): I welcome my right hon. Friend's statement, but may I press him a little more on formula grant? It is essential that local councils provide services, where needed, for disabled people and vulnerable people, yet in Stoke-on-Trent we are not getting the amount of supporting people funding that we should have. I am afraid that that will have an adverse effect on the amount of extra money that the council will need to raise, so I should be grateful if my right hon. Friend will assure me that he will look again at how we can get the amount of supporting people grant from Government that they say we need.

John Healey: I know how fiercely my hon. Friend feels about the issue and how much she is concerned about the services needed by many of the most vulnerable people in our community and in her city of Stoke. May I make three points? First, we have put in place a three-year funding deal for councils eligible for supporting people money. In part, that is to give those councils certainty about the income they will receive over that period so that they can manage their budgets better. Secondly, we have determined the amount of money for supporting people in Stoke in precisely the same way as for other areas. Thirdly, I am conscious of the case my hon. Friend makes and if she and either of her colleagues who represent the other two Stoke constituencies wish formally to see me or my fellow Ministers about the issue, we will happily set up a meeting and look at such representations as she may want to make.

Mr. Christopher Chope (Christchurch) (Con): The Government promised to bring in proposals for reform of the local government superannuation pension scheme by 1 March. What has happened to those proposals, and does the Minister accept that what he has been saying is far too complacent? Collectively, local authorities have record levels of debt and unsustainable pension schemes. There is tremendous resentment among ordinary council tax payers that they have to contribute four or five times as much to the pensions of chief executives on more than £100,000 a year than the chief executives themselves contribute.

John Healey: I shall write to the hon. Gentleman, who has been reading too many lurid and badly based articles about local government pension schemes. First, there is a legislative and regulatory constraint on local government pension fund deficits being passed on to council tax payers. Secondly, from the beginning of the current financial year, starting last year, the reforms I have put in place in the local government pension scheme mean that employees are paying more and employers'—in other words, taxpayers'—contributions are capped. Beyond that, it is not right to use private sector pension scheme formulae as a comparison with the position of local government pension schemes. They are regulated differently and use different financial accounting methods. It is like trying to compare apples and pears.

Fiona Mactaggart (Slough) (Lab): Among the 86 authorities whose council tax increase has been between 4.5 and 5 per cent. this year is Slough, despite its having an excellent Labour council. The reason is that Slough has more people than was estimated by the Office for National Statistics. I am deeply concerned that we shall continue to be bumping at the top level of council tax increases, because on the basis of the three-year settlement, Government grant will not be able to meet the needs of Slough's growing population. Can my right hon. Friend offer any comfort to my local council tax payers and my local council that they will have the services they need, properly funded, in future years?

John Healey: The short answer to my hon. Friend is yes. Partly prompted by the case that she has made so assiduously in recent years, we now have a very detailed programme to improve population and migration statistics. We will make sure that those improvements take place, so that for the next spending review period, any decisions on local government funding, or other public sector funding that draws on those statistics, can be based on the improved population and migration statistics. She is right about the quality of her Labour council, which has a new leader, Rob Anderson. I visited the area several weeks ago to see for myself the innovation, the new services, and the serious way in which the council is going about not just managing the financial pressures that it is under, but making sure that it can improve services for people right across Slough.

Mr. Robert Walter (North Dorset) (Con): The Minister will be aware from discussions that he has had with leaders of one of my local authorities and with me that what is excessive in percentage terms is not always excessive in cash terms. North Dorset district council continues to be one of the lowest taxing authorities for band D in the country, with a band D council tax of just over £100. I wonder whether the Minister could help a small local authority in my area with a very low band D council tax next year, by having a discussion, or asking his officials to have a discussion, with the council's officials, so that we do not end up playing roulette with council tax bills, and so that the council is aware of the parameters within which it should be working?

John Healey: I think that I can help in two ways. First, I can help by setting out, as I have done already, the funding that the hon. Gentleman's council, and other councils, can expect from central Government for the full three years of this settlement period. That will mean that they know where they stand, and can plan and manage for that period. Secondly, I point out that the regional improvement efficiency partnerships are in place. They are led by local government experts and specialists in the field. They have the sort of expertise from which his council may well benefit, as it prepares to manage its services this year and plan ahead for next year. I will ensure that the regional partnership gets in touch with his chief executive and offers what help it can, as the council looks ahead to next year. If the hon. Gentleman wishes to make representations to me about the funding for his council in the third year of the three-year settlement, I will of course see him at the appropriate time.

Mr. Brian Jenkins (Tamworth) (Lab): May I say to my right hon. Friend the Minister how much I welcome the extra £3 billion for local authorities this year, but could he provide us with a little more information? Will he list for this House the total reserves held by every local authority, work out what percentage those reserves are of their annual net budget, and present that information in a league table?

John Healey: We do not, at present, collect that information council by council, but we publish annually the reserves that local councils have in total. The last figures that we published put the figure at almost £14 billion. That is clearly part of the financial calculation and budget planning undertaken by all local councils. Particularly during this period of economic pressure, it makes sense for councils to look hard at the level of their reserves. Having sufficient reserves is necessary if there is to be prudential management, but the high level of reserves held by some councils might, in this period of pressure, be put to good use to maintain services and to keep council tax pressures down.

Mr. James Paice (South-East Cambridgeshire) (Con): Many councillors and tax payers in Cambridgeshire and many other areas will listen with astonishment to the Minister bragging about an increase of 4.2 per cent. in central Government funding when they see that the figure for their council is closer to just 1 per cent. Is it any surprise that they will naturally conclude that many other authorities must be getting considerably more than 4.2 per cent.? They will not be surprised to hear the Minister say that Labour councils are levying a lower average tax rise, because it is quite clear that the Government look after their own. Counties such as Cambridgeshire, where Labour has no representation, get no money.

John Healey: The hon. Gentleman has been around long enough to understand that we have a formula, which we consult on and debate in this House, for

distributing funding to local councils. It applies equally across the country. He will also be aware that this Government introduced a system of floors. Without it, some of the councils that he may have in mind would, by rights, get less than they do. That floor is funded by taking the money off the rises for other authorities. He asks whether the residents of Cambridgeshire are aware of that; I ask him whether they are aware that his party plans, if it gets into power, to slash grants to local councils by £240 million from next month. That would, at a stroke, put an extra 1 per cent. on their council tax.

Dr. Alan Whitehead (Southampton, Test) (Lab): I note that in his inquiries about a possible capping of authorities, my right hon. Friend is including both the budget and the council tax levied by those authorities. Does he accept, however, that over a period of time, the axis of what people pay in council tax is increasingly becoming divorced from the measure of the band D council tax payment? Is he therefore looking at measures to provide, in future years, a more accurate depiction of what may be excessive council tax increases? As far as capping is concerned, does he accept that if the Opposition had their way—they want to freeze council tax for a period, and would apparently never change the basis on which council tax is valued or charged—council tax would be centralised to such an extent that local authorities would not even have the choice of whether to levy a low council tax or a high council tax?

John Healey: My hon. Friend is right, in that what we have heard from the Conservative party is a con. It is a con in two ways. First, it is a con to suggest that it will be a freeze for all councils, as has been promised, because the freeze will apply only to those that join the scheme. Secondly, it is a con to suggest that somehow that will give more power and decisions to the local area, because the constraints will still be set at the centre. He asked me whether I am considering seriously some of the principles of council tax. I know that he follows the subject, and is a source of fresh policy thinking almost without compare in this House. I am seriously considering a set of suggestions, and am looking very carefully at the ideas that he has submitted. I have a good deal of interest in them, and look forward to discussing them with him.

Mr. Henry Bellingham (North-West Norfolk) (Con): Earlier this afternoon, the Minister said that any extra costs imposed on local councils by Government Departments would be reimbursed. Does that mean that local authorities in Norfolk will be reimbursed for the cost of responding to his Department's discredited, deeply unpopular and incompetently handled LGR?

John Healey: For the benefit of the House, LGR is local government reorganisation. Members should not make the mistake of accepting the hon. Gentleman's description of the way in which it is being handled. The short answer to his question is no, because from the outset of the process, we made it clear that if local authorities were going to play a part, they should cover the costs. We also made it clear that those costs should not be excessive. Clearly, councils that choose to use the legal process to try to influence the policy process should account for those costs to local residents. Finally, the important LGR process started with proposals that we received from councils, including councils within his area—

Mr. Bellingham: No.

John Healey: Including councils within his area, the county of Norfolk. We will bring the process to a conclusion as soon as we can, because there are important questions at stake concerning the future of local governance and local services for people in his county.

Mr. Russell Brown (Dumfries and Galloway) (Lab): My right hon. Friend has had to make a tough and difficult statement today, and I recognise, as I am sure that he does, that local government is a difficult beast to wrestle with. The Conservative spokesman mentioned a council tax freeze in Scotland; that has not come about without significant pain, and cuts in services, right across the country. The Liberal Democrats and the Scottish National party advocate a local income tax. I am sure that my right hon. Friend does not need me to tell him that those proposals lie in a bin in Holyrood.

John Healey: I have to concede to the House that I do not know a great deal about council tax in Scotland; I have my hands full looking after council tax in England. However, I note the points that my hon. Friend makes, including the fact that what was advocated by the Administration there has been put on ice, and is not, despite being a manifesto undertaking, likely to be put into practice.

Mr. James Gray (North Wiltshire) (Con): Will the Minister kindly look into what can be done to help several hundred of my constituents in the estates of Cepen Park North and Cepen Park South in north Chippenham, just on the outskirts of Calne? Through no fault of their own, they have been moved into Chippenham and Calne town councils respectively, which means that their council tax has increased not by 3 or 4 per cent. but by 17 and 20 per cent. this year, causing outrageous pain to quite a large number of people. Perhaps they had to move into those town councils, but would it not be possible to phase in that increase over a number of years? No one in the local authorities or town councils is saying that that would be illegal, so the Government could allow it to happen.

John Healey: I will look into the electoral ward arrangements raised by the hon. Gentleman. The bigger picture in Wiltshire is of a new council that will be up and running from next week. It will make massive savings for the people of Wiltshire, and we will see over the coming months the advantage of having one level of local councils, rather than two, because that will give stronger leadership to his county, as well as better services to his residents.

Mr. Peter Bone (Wellingborough) (Con): Would the Minister like to conclude his statement by congratulating Councillor John Bailey and all the councillors at Wellingborough on the zero council tax increase this year? However, would he help with a serious matter relating to a local hotel that has been in existence for at least 16 years with no capital changes? Unfortunately, this year, it is paying £3,646 in council tax, but next year, it has been asked to pay £6,135—I understand that that has something to do with the removal of transitional relief. In a time of recession, that is a major problem for the hotel.

John Healey: The hon. Gentleman is not talking about council tax—he is talking about business rates. He would have done better to have been in the Chamber yesterday, rather than today, when we debated that. I will write to him and explain how the business rate system works.

Mr. Bone: And the congratulations?

Mr. Deputy Speaker: Order. The hon. Gentleman has pushed his luck far enough.

Defence in the UK

1.12 pm

The Minister for the Armed forces (Mr. Bob Ainsworth): I beg to move,

That this House has considered the matter of defence in the UK.

Tragically, we begin another defence debate against the backdrop of further loss of life in our armed forces. Two weeks ago, the 152nd member of the forces died in Afghanistan, taking the total fatalities there and in Iraq to 331. Closer to home, two lives have been appallingly lost on our own streets, with the murder of Sappers Patrick Azimkar and Mark Quinsey in Northern Ireland on 7 March. I cannot imagine that they envisaged being gunned down in cold blood at their base as they bought a final pizza before deploying to Afghanistan. Our thoughts and deepest condolences are with the families of these brave people and with those rebuilding their lives after serious wounds. Those who sacrifice most are quite rightly at the centre of the agenda and of media coverage, but the armed forces do not view themselves as victims. They stand for far more than that: honour; duty; sacrifice; commitment. Oft mocked as unfashionable, but they are surely qualities to which the whole of society should aspire. It is a privilege from a personal point of view to work with these extraordinary people.

I would like to focus this afternoon's debate on the essential relationship between the armed forces and society and the role that Government must play in that. Every day, the men and women of our armed forces are asked to do incredibly difficult things on our behalf in some of the most dangerous countries in the world. Tragically, some of them pay the ultimate price. It is therefore our duty to ensure that the balance between what they do for us and what we do for them in return is correct. We must look carefully at the interdependence that exists between the armed forces, the society from which they recruit and to which they ultimately return, and the Government who require so much of them.

When we think about what the military do for us today, the overwhelming image is of soldiers, sailors and airmen bravely fighting the Taliban in Afghanistan. Those operations have a direct bearing on the safety of our streets back here in the UK. Our people are defeating terrorism there to stop it coming here. Similarly, they will soon complete a magnificent job in southern Iraq, leaving Basra transformed from how they found it six years ago. Quite rightly, we regularly debate operations overseas in this House, and I want to use today's theme of defence in the UK to spotlight the activities and the wider role that the armed forces play in the fabric of our society.

Operationally, it is worth reminding ourselves that the Royal Navy has provided a continuous independent nuclear deterrent at sea since 1969. That is the ultimate guarantee of our national security, and it involves a submarine under the sea, 24 hours a day, 365 days a year. I drifted on to the conservativehome website the other day, as I do from time to time, and I looked at the debate there. That is part of the democratic process, and I accept that parties have to have these debates, but it would be enormously helpful to the people who provide that service to our nation if Opposition Members clarified—they can do so now, if they wish, or in their speeches—their support or otherwise for that continued provision.

Dr. Julian Lewis (New Forest, East) (Con): I am terribly disappointed. For a moment, I thought that the Minister was going to say that he had read my long essay on the vital need for the nuclear deterrent, which appears on the conservativehome website. I am terribly disappointed that he appears to have overlooked it.

Mr. Ainsworth: I have read the hon. Gentleman's contribution to that debate but, equally, I read what others say. There is a difficulty for Opposition Members, is there not? On the one hand, they are committed to a bigger Army—or are they? Clarification would be most welcome. On the other hand, I think they are committed—or are they?—to no increases in defence spending and, indeed, no promise to maintain the current level of defence spending. That is the Opposition position—not that of the hon. Gentleman, who is always careful about these things, but it is certainly the position of his hon. Friend the shadow Chancellor. The gap has to be filled somehow. The question of where the cuts would be made is an intriguing one.

Mr. Bernard Jenkin (North Essex) (Con) *rose—*

Mr. Ainsworth: Perhaps the hon. Gentleman will be able to enlighten me.

Mr. Jenkin: Would the Minister like to set out his own party's pledges for the next Parliament with regard to defence spending?

Mr. Ainsworth: We do that, and we will continue to do that, and I am here in order to do that. However, I say to the hon. Gentleman that there is a duty on Her Majesty's Opposition. Opposition Members have made statements that are clearly out of line with one another—there are commitments to increase defence spending in one way, but no explanation of how that would be paid for in another area, as would be inevitable—so I invite them now, or when they make their speeches, to enlighten the House as to where the cuts might fall to pay for the commitments that they desire to make.

The Royal Air Force continues to ensure round-the-clock air defence. I saw some of the Typhoon aircraft and crews that do that when I visited RAF Coningsby late last year. Those quick-reaction aircraft are ready to launch and intercept any aircraft approaching the United Kingdom that might pose a threat, which is not a task or responsibility to be underestimated.

The House will know of the niche capabilities, such as explosive ordnance disposal operators and search-and-rescue crews, who continue to carry out acts of supreme bravery and professionalism in support of the emergency services. More widely, I wonder where we would have been in the aftermath of the floods in 2007, or the foot and mouth outbreak in 2001, without military support. The armed forces helped save the day on each of those occasions. All this is possible because we have flexible forces, fit for purpose and with an indomitable spirit at their core.

Angus Robertson (Moray) (SNP): The Minister will be aware that the safety deadline for upgrades to the Nimrod fleet is 31 March, five days away. Can he update the House on how many aircraft have had both sets of improvements made, on the hot air ducts and the fuel seals? On how many Nimrod aircraft will both of those improvements have been completed by the deadline?

Mr. Ainsworth: I have written to hon. Members, making them aware of the action that we have taken to ensure that we speed up the work that is required on those aircraft. We are not prepared to fly beyond 31 March aircraft that do not have those vital fire breaks re-engineered and refitted, and we have taken the necessary action to do that. We are able to do that without the Nimrod stopping its vital mission in the UK. I think I have written to the hon. Gentleman making him aware of that, as well as to other hon. Members, so nobody can be in any doubt that we are holding to that 31 March deadline.

What we have done is intended to enable us to get on with that work as quickly as possible, and we anticipate that the entire fleet will be refitted by the summer, and that we will be back up to full operational capability by the summer as a result of the actions that we are taking. We will not allow the firewall work to go beyond 31 March, the date we originally stated. We will hold to the deadline for that work.

The armed forces provide more to society, though, than simply protecting it. They reinforce its strengths and values. Right at the heart of what our armed forces stand for are virtues such as respect, duty, discipline and a firm commitment to ensuring that talent is given the chance that it deserves. Many of us lament these qualities being less obvious in wider society, and it is this that I want to dwell on—the relationship between the armed forces and society, and Government's role and responsibility in that.

The armed forces recruit from society and, in doing so, provide a springboard for men and women from all backgrounds, offering them opportunity, training, skills and, most importantly, a sense of belonging and self-respect. My military assistant characterises that as the ordinary man's way of escaping the ordinary. I view it as enabling so many people, often from disadvantaged backgrounds, to improve themselves and make their way in life.

Lembit Öpik (Montgomeryshire) (LD): I very much agree with the aspiration that the Minister describes for the Army and, on the whole, that is how it is. Does he agree, nevertheless, that those values were sorely lacking at Deepcut Army barracks, and that the death of four recruits there in the most unusual circumstances was the antithesis of what the Army should be about? Can he explain why, even now, 14 years after the death of Cheryl James, we still have not had the release of important information, such as the report by Devon and Cornwall police on the Surrey police investigation into her death? Does he agree that for the Army to achieve exactly what he says, we must have transparency, the absence of which suggests to me that she was murdered and that this is a cover-up?

Mr. Ainsworth: The hon. Gentleman must believe in his conspiracy theories if that is what he wishes to do, but he knows, as he has been told by me, by my predecessor from the Dispatch Box and by others as well, that we are not the owners of that document. It is not a matter for the armed forces to release the results of police investigations. He must take the matter up with the relevant authorities. I have no ability to tell the police what to do, and no desire to do so. He can keep on raising the issue in defence debates and keep on suggesting that in some way the Army or the MOD is responsible for the report not being released, but that is not true. I think he knows that, in his heart of hearts.

Lembit Öpik: I am grateful to the Minister and I do not seek to distract him from his core narrative. I understand what he said, and it has been said to me many times before. I simply observe that if the Minister or the Ministry of Defence indicated that they felt it was in the public interest and in the interests of the image of the Army for that report to be published, I am sure that would have a significant effect in motivating Devon and Cornwall police to do that.

Mr. Ainsworth: The hon. Gentleman is free, as are others, to raise the issue with the police. It is not for us to tell the police how to do their job. It is their report, their investigation and their decision. He has been told so often, as he rightly acknowledges, from the Dispatch Box.

The values that our armed forces represent start early through the cadets, which is probably the best youth organisation in the world and it continues to flourish. Whatever their background or their future careers, the young people who join the cadet forces leave better equipped to face the future. They also participate in more worthwhile activities than they would otherwise be able to do.

Mr. Brian Jenkins (Tamworth) (Lab): On training, will my right hon. Friend give way?

Mr. Ainsworth: I was speaking about cadets, not training, but I suppose I had better give way to my hon. Friend.

Mr. Jenkins: I am listening with interest to find out about the extra capital to fund the extra large Army. Is it possible that the Army might have access to Train to Gain funding to train some of our soldiers, thereby releasing money to fund the extra Army units that some of us would like to see? Are we looking for extra money anywhere?

Mr. Ainsworth: The Government pot is as big as it is, no matter where it comes from. The point that I was seeking to make earlier is that a party which, on the one hand, tries to tell the country that we are profligate and spending too much, repeatedly tries to pretend, on the other hand, that it can pull rabbits out of a hat for additional spending on defence and elsewhere to which it knows it is not committed. That is a pretty dangerous thing to do in a democracy, and it will get its come-uppance sooner or later.

I was speaking about cadets. We should recognise and be grateful for the supreme dedication of the volunteer instructors who do so much for the Sea, Army and Air Cadets in our communities. Similarly, the reserves bring a range of unique skills to defence and play a vital role on operations. They also bring transferable skills and standards learned during their service back to their civilian lives and their civilian jobs. The House will be aware of our ongoing strategic review of the reserve forces. The review will ensure that we have reserve forces that meet defence needs now and into the future. It will also recognise their fundamental role in society. We will announce the findings of the review in an oral statement to the House shortly.

Sir Malcolm Rifkind (Kensington and Chelsea: The Minister will be aware that it was originally announced that the conclusion of the current review of the reserve forces would be announced about six months ago. Will he share with the House why it has taken so much longer to conclude the review? I hope he will be able to say that part of the reason is that the terms of reference do not preclude those carrying out the review from examining the gross misuse of the reserves over the past few years, as the current Government have sought to use them to make up for the very serious lack in regular forces during that period.

Mr. Ainsworth: That is a travesty of the facts, if I may say so. Yes, we are behind on our original desire in respect of the review's time scale. But I have never been in any doubt that it was better for it to be done correctly than quickly, so I have never put the people involved in the review under any pressure to meet those deadlines and we have allowed the review not to meet the original times. Yes, the reserves have increasingly augmented our activities on operations, and when I meet and talk to them, I see that they do not mind that at all. What the reserves want is for their increased involvement to be reflected in their training and support, so our strategic thinking needs to some extent to catch up with what they have been delivering.

It has not been an abuse, but the good, efficient use of reserve forces. They have volunteered and are damn good at their job. We need to make sure that, as far as we can within our resources, we train and support them appropriately so that they can play the role in which they have been so effective and for which they have been prepared to volunteer.

Mr. Jenkin: Will the Minister confirm that the review was conducted by Major-General Cottam, who left the Army months ago and now serves as the registrar at St. Paul's cathedral? That suggests that the review was completed, but that the Government are uncomfortable with its findings.

Mr. Ainsworth: The hon. Gentleman will find out pretty soon, when we release the reserve forces review and enable him and others to participate in discussing it. I do not know whether he recognises this, but I have tried to make sure that the debate has been pretty inclusive. General Cottam has talked repeatedly to Members from both sides of the House; we have used the vehicle of the all-party group on reserve forces to make sure that that has happened. I have given the commitment that despite the fact that there will be an oral statement in the House on the day when we release the review, we will go back to the all-party group because of the contribution that it has made and the interest that it has shown. We will give it a more detailed opportunity to give its critique of the review when it comes out.

Mr. Julian Brazier (Canterbury) (Con): On behalf of the whole all-party group, I should say that we are grateful for the way in which we have been used as a sounding board on this issue. I echo the comment made by the Chairman of the Defence Committee at our last meeting: it has been a model example of adding value to a review by drawing on parliamentary opinion. I thank the Minister for that.

Mr. Ainsworth: I agree. General Cottam himself was extremely grateful for the sounding board of the all-party group; he could properly capture where people were on

some of the issues and make sure that he had that information tucked away as he did his work. He has expressed his gratitude personally, but I am happy to repeat it in the House.

This country must leave no stone unturned to ensure that the remarkable people of our armed forces and their families, and veterans, are appropriately recognised and supported. That work can and must never be finished; it must be a work in progress to which we are all committed. To do otherwise would break the crucial relationship. The public's generous recognition of the armed forces in the past year, including fundraising and welcoming people home from operations, proves that fulfilling that relationship is squarely in society's consciousness. I applaud the efforts made by all of our citizens, and in particular by the people of Wootton Bassett, whom I visited earlier this month. I thanked them for the way in which they ensure that our fallen are properly received back in their country.

Mr. James Gray (North Wiltshire) (Con): I am grateful for the Minister's kind words about the people of Wootton Bassett, which is in my constituency. Some 2,000 of them turned out last Saturday for the tragic return of three bodies.

The Minister will understand that the people of Wootton Bassett are deeply concerned about the future of RAF Lyneham, which is just down the road from them. We are awaiting an announcement on that, following consideration of Project Belvedere. Can the Minister give us some idea of when that announcement might be made?

Mr. Ainsworth: I am grateful to the hon. Gentleman for his support for the armed forces and the encouragement that he gives us to continue to use RAF Lyneham. It is good to see that the community there is very supportive of our continuing to do so. However, he knows that we must try to get the best that we can from the estate and that we must use money efficiently. If we waste money on the estate, we cannot spend it on kit and equipment and the health and welfare of our service personnel.

As I hope the hon. Gentleman knows, I am trying to bring the issue to a conclusion as soon as possible. I cannot promise that he will be on the good end of that news. We have not yet made any decisions, but we will inform the House as soon as we can about the outcome of Project Belvedere and the potential reconfiguration of our helicopter force basing priorities. The hon. Gentleman is worried about that and wants to try to take the opportunity to keep Lyneham alive. I cannot say whether he will be successful or otherwise.

The central plank of Government efforts is the service personnel Command Paper, which was published last summer. That unprecedented piece of cross-Government and devolved Administration work is designed to optimise the support that we provide to our armed forces. It is based on two central principles: first, that no disadvantage should flow from service in our armed forces; and secondly, that in certain circumstances it is right and proper for our armed forces to be treated in a special way, particularly when people have been injured in the course of their duty.

I will not rehearse the 40-plus pledges in the Command Paper, but let me give one example. By most assessments, British military training is the best in the world, offering a broad range of high-quality education. I am amazed by the amount of technological know-how that is required of our servicemen and women and how quickly they learn it. We must reinforce that aptitude as they retire from service. That is why the Command Paper now entitles all those who have served six years or more to free education up to degree level on retirement from the forces. That is a tremendous package to help our people to transfer successfully back into civilian life. The extraordinary opportunities offered during a services career now continue beyond it. Veterans, society and British businesses are all beneficiaries of the proposal.

John Smith (Vale of Glamorgan) (Lab): I am sure that the whole House supports the offer in the Command Paper to which the Minister referred. However, does the Minister agree that the new training regime to be introduced by the defence training rationalisation programme, which will ensure that all technical qualifications in the military will also be recognised civilian qualifications, will greatly enhance the recruitment and career prospects of our young men and women when they leave the forces?

Mr. Ainsworth: I agree. It is vital that we invest in new training programmes and facilities. My hon. Friend never misses a chance to tell us that the greatest opportunity to do that is in St. Athan in his constituency. We need to take on defence training and to make sure that we stay at the cutting edge and get the new methodologies and equipment. The way to do that is through the defence training review, which will hugely benefit my hon. Friend's constituency. I hope it goes well and that we proceed to a final decision in the required time scale; I know that my hon. Friend supports that.

Mr. Robert Walter (North Dorset) (Con): There seems to be slippage on the defence training review and the move to St. Athan. When it was first announced in 2007, it was all going to be done in 2011, but in a written answer to me yesterday, the Minister said that the date was now 2015. I understand that the contracts are still in difficulty. Will the Minister give us some idea of when we will have some really firm dates?

Mr. Ainsworth: The hon. Gentleman must accept that the proposal has its detractors, who seek for good reason to protect the status quo and jobs in their own areas and are worried about change; I do not criticise them for that. He should not listen to every bit of propaganda that is put out about the defence training review; he would find that, despite the economic situation, it is in nowhere near the difficulty that those detractors try to suggest. He should listen to a balanced view, not just one side of the argument.

Robert Key (Salisbury) (Con): Has the Minister read today's National Audit Office report on the Red Dragon project, which tells us that it has cost the taxpayer £113 million—

Mr. James Arbuthnot (North-East Hampshire) (Con): It is embargoed.

Robert Key: I had better take note of that; I apologise to the House.

Mr. Ainsworth: I was about to acknowledge that I had not read it—I am extremely grateful for the intervention by the Chairman of the Select Committee.

Each year, 20,000 highly trained, motivated and disciplined former service personnel leave the armed forces. They are a fantastic national resource. By the time they leave the forces, individuals are better educated, fitter and more skilled than when they joined. In my view, though, the most important thing is that service life moulds people who leave with values such as integrity, leadership, responsibility and dedication. Those qualities are as welcome in society as they are with employers.

The essential relationship between the armed forces, society and the Government will never be undermined by mindless extremists. This was brought into clear focus three weeks ago by a group in Luton who abused the Royal Anglian Regiment as it marched. We must not confuse that disgraceful abuse as being remotely representative of colour, religion, kith or kin. It is not: it is the action of thuggish yobs, and it certainly does not reflect the views of the wider Muslim community. I was enormously pleased to listen to a radio show in which Muslims in Luton condemned the actions of this minority, and I heard the same last weekend from Muslims in my own constituency. We should never forget that. The overwhelming majority of Muslims in our country are prepared to participate in debate and politics rather than abuse the servants of the state.

Far worse than what happened in Luton are the killings of Sappers Quinsey and Azimkar. We must not let this deflect us from our path in Northern Ireland. It was a cold-blooded atrocity, wholly abhorrent, which was properly condemned across the political spectrum. I went to Northern Ireland last week to visit 38 and 19 Brigades and found a palpable sense of outrage wherever I went. Indeed, Martin McGuinness, not a man with whom I have agreed often over the years, summed up the views of the majority of the republican movement by denouncing the perpetrators of these shocking and callous acts as "traitors".

We must remember that Operation Banner is over. The Police Service of Northern Ireland takes the lead on security there, just as other police services do elsewhere in the United Kingdom. The armed forces provide support as required to the PSNI—again, as per the remainder of the UK. Our people are trying to live normally in Northern Ireland, no differently from elsewhere. This normalisation will not be derailed by a tiny minority. The House should be assured that we will afford the security of our people the utmost seriousness, and that we are doing everything that we can to protect our people from the mindless thugs who seek to attack them. We will provide them with a firm and secure home base—nothing less is acceptable. Both in Luton and Northern Ireland, and across the UK, we must ensure that respect and tolerance are the bases of our society as opposed to extremism, whatever its guise. As so often, the armed forces are on the front line of this fight to protect our basic values, and we must be grateful to them for the job that they do.

Dr. Liam Fox (Woodspring) (Con): Before the Minister moves on to his peroration, will he tell us when the Government intend to make known their response to the recommendations of the Armed Forces Pay Review Body?

Mr. Ainsworth: The hon. Gentleman should be patient. We are almost ready to make known our response to the review body, and we shall do so as soon as we are able to. *[Interruption.]* He says from a sedentary position that it is overdue, but I am not aware that there is a set date for its release. We will make the House aware of our response soon—that is the only answer that I can give him. I urge him to be a little more patient.

The relationship between the armed forces and society has to be a two-way street. Each complements the other; one cannot exist without the other. Government's responsibility is to ensure that that remains so, and that the armed forces are treated appropriately. This work in progress is something to which we remain wholly committed—our people deserve no less.

ROYAL ASSENT

Mr. Deputy Speaker (Sir Alan Haselhurst): I have to notify the House, in accordance with the Royal Assent Act 1967, that Her Majesty has signified her Royal Assent to the following Act:

Corporation Tax Act 2009

Defence in the UK

Debate resumed.

1.47 pm

Dr. Liam Fox (Woodspring) (Con): May I add my condolences and those of my colleagues to those expressed by the Minister? Our thoughts and prayers are with the families, not only of those killed in action but of those who have been injured, in their ongoing suffering. The House should remember the sacrifices that they, too, have made.

It has been a privilege for me, like the Minister, to visit our armed forces in different parts of the UK, in Iraq and in Afghanistan, and to share the pride in and enthusiasm for what they do in our name. It is because of the esteem in which we hold our armed forces that so many of us were outraged by the events mentioned by the Minister involving those who chose to protest against the bravery and professionalism of our troops returning home from operations. I am sure that the whole House agrees that those returning from overseas deserve the full support of the British public, and nothing less. I think that decent-minded people were appalled and disgusted by the actions of unrepresentative extremists at the welcome home parade in Luton. It is, after all, thanks to the bravery and commitment of the men and women in our armed forces over many years that we have the freedom of speech that those nasty individuals were abusing, and they should be reminded of that fact.

The best way for us, as a society, to show our contempt for those people and our support for our troops is not to ban protests, as some have suggested, but to outnumber the protesters and drown them out. What could be a better response to what we saw in Luton than to see huge supportive crowds cheering home our returning forces? Our deeds, not our words, will show what we really stand for. That fact was demonstrated a few days after the Luton parade, in Watford, where a parade by the Royal Anglian Regiment drew out thousands of people cheering as the troops marched through the town centre. The crowed was supportive, appreciative and, in some ways, defiant—a complete contrast to those ungrateful, unrepresentative extremists in Luton. Too often we allow minority voices to hijack the debate. The British public, the Government and Parliament must do all we can to encourage public support for the armed forces.

As we debate the subject of defence in the United Kingdom, we would be negligent if we overlooked two major elements underpinning our nation's defence and, indeed, our role in the world: our nuclear deterrent and our ability to project power with aircraft carriers. I shall discuss the carriers first.

An argument is made in some quarters that the carriers are useless because they will be of no help in the sort of conflict we face in Afghanistan. As things stand in the deserts of Helmand province, that is true, but it is beside the point. Nobody has ever tried to make an argument for the carriers on the basis that we needed them for current operations in Afghanistan, but I remind sceptics that there was a time, in the early days of the conflict in Afghanistan, when aircraft carriers were vital. For example, HMS Illustrious, with its 16 Harriers, which took part in the initial attack in October 2001, when there was no regional airbase that could quickly and easily be used.

The argument against the carriers is also based on the false assumption that state-on-state conflict is a thing of the past. Unfortunately, history shows differently. Possessing the aircraft carriers in the 21st century will allow us to project power, influence and force in a way that would not otherwise be possible. In an era of globalisation, Britain's economic, trade and security interests are not only to be found here at home, in Gibraltar or in the Falklands, but around the globe, from the strait of Hormuz to the Malacca strait and most everywhere in between. In this complex world, British interests and the defence of the UK have no geographical boundaries, in the way that perhaps they did in the past. Because of that, we must have the ability to project power, influence and, if necessary, military force around the world.

It is unfortunate that the Government have presided over delay after delay in the two carriers. They have now been in planning and design for twice the duration of the second world war. In December, right before the Christmas recess, we learned from a written statement that we can expect a further delay of up to two years. That was initially blamed on the joint strike fighter's entry into service, but we have since learned that that was not the main reason at all. I welcome the carriers as an important addition to the fleet and call on the Government to do everything they can to ensure their timely entry into service. However, we might ask why, when the Government are talking about bringing forward spending projects as part of the fiscal stimulus, major defence projects are being put back. But the current delay is only the tip of the iceberg in this Government's treatment of the Royal Navy. The journey that has led us to where our Navy is today has been one of serial betrayal by the Government.

Time and again since the 1998 strategic defence review, our Navy has been blackmailed into accepting cuts to its fleet to ensure the eventual addition of the two new carriers that are so desperately needed. Back then, our Navy agreed to cut its fleet of 12 attack submarines to 10 and its fleet of 35 destroyers and frigates to 32, in return for the promise of the two carriers. A decade later, we find our Navy with only eight attack submarines, with a probable future reduction to six or seven, and an astonishingly low number—22—of destroyers and frigates. Maritime commitments have not decreased since 1998—in fact, they have risen at a time when our Navy has been slashed, mothballed or, in some cases, sold off. Having an aircraft carrier capability allows us better to protect our global interests, but it cannot be used as an excuse for any further cuts to the capabilities of our Navy.

Mr. Bob Ainsworth: Surely the hon. Gentleman recognises that the biggest recent peacetime naval building programme is going on in the country.

Dr. Fox: Yes, and as I will say later, that programme is over schedule and over budget, and it comes in a period when the Navy has suffered unprecedented cuts but is still being asked to carry out a wide range of functions. The Navy was told that it needed a certain number of frigates and destroyers to carry out the tasks set out in the strategic defence review, but year on year, the Government cut back on those. It is only the astonishing

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professionalism of the Royal Navy that has enabled us to carry out so many of the tasks so well during that difficult period.

Many of the same arguments for supporting the carrier programme are applicable to the nuclear deterrent. The Minister began by asking about the commitment of my party to a nuclear deterrent. If hon. Members think back, they will remember that my party has always been committed to such a deterrent. It was those on the left who tried throughout the 1980s to go for unilateral nuclear disarmament and who did not support the nuclear deterrent. There are three reasons why we must have a nuclear deterrent. The first is the unpredictable nature of the post-cold war era. The harsh reality is that in many ways we had it easy with the bipolarity and general predictability of the cold war. As opposed to the concept of east versus west, or democracy versus communism, the global security environment in which we are now forced to operate more closely resembles the multipolarity of the 19th century—not the 20th century, for which our instruments of national defence are structured. No one can accurately predict the threats that the UK will face between 2025 and 2055, when the next generation of the deterrent will be in service, just as no one 20 years ago could have predicted the speed of the collapse of the Soviet Union or the nature of the conflicts in which we are involved in Afghanistan and Iraq.

Secondly, nuclear weapons simply cannot be uninvented; they will remain part of the international security picture in the future. The acquisition of nuclear weapons by North Korea and their attempted acquisition by Iran are real threats to our security. We do not have the right to gamble with the security of future generations. Thirdly, the United Kingdom has traditionally played a bigger role in acting on a number of global security-related issues than many of our medium-sized allies, especially in Europe. Consequently, we are more susceptible to future nuclear blackmail by rogue states in possession of nuclear arms.

Nick Harvey (North Devon) (LD): I am listening closely to the hon. Gentleman. Do I understand the logic of his argument to be that there are no circumstances in which it would ever be possible for the UK to renounce its nuclear weapons?

Dr. Fox: If, in the improbable event that we were able to technically uninvent nuclear weapons, they did not exist in any other part of the globe and there was no chance of them coming into existence in any other part of the globe, that might be a realistic suggestion, but while they do exist and while this country may be threatened with or subjected to nuclear blackmail, we must maintain a minimum nuclear deterrent. There are strong arguments for big reductions in the number of warheads held globally. There is a strong economic, moral, political and military argument for big reductions in the stockpiles of Russia and America, and I can see no strong argument against such reductions, but we in the United Kingdom have to be the arbiters of our own destiny. We have to be able to determine our own security, and while nuclear weapons exist, we in the UK are prudent and wise to retain and maintain a minimum effective nuclear deterrent.

Mr. Peter Kilfoyle (Liverpool, Walton) (Lab): In the light of what the hon. Gentleman said, what does he make of the letter of 16 January in *The Times* in the names of Field Marshal Lord Bramall, General Lord Ramsbottom and General Sir Hugh Beach—people who would not normally be partial on these things—which was headlined, "The UK does not need a nuclear deterrent"? Would he say that they are old soldiers who are out of touch?

Dr. Fox: They are perfectly entitled to their opinion. I happen to think that it is wrong. The nature of the threats that we face has changed quickly from the relative symmetry of the cold war to a range of other asymmetric and complex threats, and it could very well change again. Ultimately, the onus of explanation is not on those of us who wish to retain a deterrent, but on those who want to scrap it. They must tell us why they believe that they can predict the risks that we will face in half a century's time. The Government's White Paper, published in 2006, described the independent British nuclear deterrent as

"an essential part of our insurance against the uncertainties and risks of the future".

I fully endorse that sentiment.

It is an interesting element of the political debate that many of the opponents of the carrier programme and our nuclear deterrent are the same individuals who at other times claim that Britain is already too dependent on, and too close to, American foreign and defence policy. In fact, not having the aircraft carriers or a nuclear deterrent would make us even more dependent on the United States for our security. While British and American interests are likely to coincide in the future, and the Anglo-American relationship remains our most important strategic alliance, the UK must ultimately be able to guarantee its own security.

It has been widely reported in the media and written answers that Russia has once again taken up its cold war habit of probing UK airspace. I understand, as we all do, that for operational security reasons the Government are unable to comment in detail on the Floor of the House on what actions have been taken to deal with Russia's actions, but I hope that in his winding-up speech this evening, the Under-Secretary of State for Defence, the hon. Member for North Durham (Mr. Jones), will be able to give us an idea of the number and frequency of incursions and offer the House assurances that procedures are fully in place to deal with them.

In addition, will the Minister say whether his Department has seen an increase in Russian submarine incursions into British territorial waters? We hear often about Russian planes challenging the integrity of our airspace, but seldom, if ever, about what is going on below the surface. There is good reason to believe that such incursions are occurring, and as we are an island nation with only three naval bases, it is an important matter. I hope that he will address it.

Those who think that state-on-state warfare is a thing of the past need only look at the recent invasion of Georgia by Russia and the build-up of Russian armed forces to have a sense of foreboding. One thing is certain: the global economic downturn has not deterred Russia from driving ahead with vast military reforms, requiring huge sums of money. On the contrary, it looks like it is spending at an ever-increasing rate. Russia may

be building up from a low base, given the degraded state of its conventional forces, and it may not pose a direct threat to the security of this country, but the Russian leadership has shown in Georgia how it could destabilise our allies and threaten our security indirectly through a stranglehold on energy supplies. The cyber-attacks in Estonia, Georgia and Kyrgyzstan, for which the finger points at Russia, mean that we must maintain our vigilance and invest in the technology to deal with threats that could in future occur in this country.

Our armed forces have seen a lot of combat in recent years, in the Gulf war, the Balkans, Sierra Leone, Iraq and Afghanistan. Improvements in body armour and vehicles have meant that many injuries that were once fatal are now survivable. We will see many disabled young veterans, and our society will have to adjust to that. However, that is only the visible damage: what is invisible must concern us as well. I would like the topic of mental health in the armed forces to be much higher up this country's political agenda.

The Under-Secretary of State for Defence, the hon. Member for North Durham, told GMTV earlier this week that a study had shown that

"the actual number of people presenting with mental health problems is less than 2 per cent.",

yet even if that is correct, it represents just under 4,000 people. That is a lot of individuals requiring a lot of care. The hon. Gentleman went on to claim that the study showed that those who had not been deployed on operations suffered more than those who had. There was something unclear about that, as it is true only of those suffering from mood disorders and depressive episodes. In fact, the report clearly states that the rate of post-traumatic stress disorder was higher among those deployed to Iraq or Afghanistan than among those not deployed there.

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): I said that.

Dr. Fox: The Minister says that he said that, which I accept. However, PTSD often takes a long time to manifest itself. I fear that, with deployment after deployment, year after year, the mental health problems we face now, if unchecked, could become a mental health crisis, partly because our armed forces are operating at a tempo for which they are neither fully resourced nor fully manned.

Mr. Jones: I recognise the problem of PTSD, but does the hon. Gentleman not recognise that the number of people involved is small? It is higher among those deployed, as we would expect, but the important thing is to ensure that we do not confuse the broader issue of the mental health disorders that members of the armed forces face by concentrating overmuch on PTSD.

Dr. Fox: Clearly they are separate, if related, issues, but the point about PTSD is that the number of people affected now are, almost by definition, the tip of the iceberg, because of the late presentation of the condition. We can expect to see more cases in future, and we as a society have a moral duty to prepare for that. We cannot look after only the physical injuries of those who fight in our name. We must place equal importance on those who suffer mental trauma.

Mr. Brazier: My hon. Friend makes a very powerful point about this problem, which affects very damaged people, albeit a small number, who need help. Does he agree that perhaps the most disadvantaged group of all is those who have served in the reserves and cannot go back to a unit that is there full-time to look after them? Does he agree also that we could make far more use of reserve medical officers, who know what it is like to serve in uniform but are already embedded in the NHS, in solving the problem?

Dr. Fox: I am extremely grateful to my hon. Friend. Indeed, our servicemen and women in the Territorial Army experience a further, unique set of problems. When a member of the TA returns home from operations, there is little or no formal support group or structure to fall back on, or camaraderie with fellow troops who have had similar experiences. There are no familiar faces on a base and no friends to meet for a pint to talk about what they have gone through. More often than not, TA service members simply return to their civilian jobs and go back to family life without the safety net apparatus that is provided by being a member of the regular forces. They are at particular risk. We have a duty to recognise that and put in place mechanisms to guarantee their safety.

The important point that my hon. Friend raises is that the increased use of the TA means that there is likely to be an increasing rate of growth of those problems in future. We are developing a problem for our forces as a whole, but the TA in particular represents a potential mental health time bomb that, in many ways, we are not prepared to deal with.

Mr. Jenkin: Is my hon. Friend aware that Combat Stress, the mental welfare charity for ex-servicemen and women, has reported that whereas in 2005 only 5 per cent. of those presenting with PTSD were unfunded by Government help, that figure has now risen to 43 per cent. and is continuing to rise? That is putting great strain on the charity's resources. Given that the disorder arises directly from employment in Her Majesty's armed forces, is that not something that we really have to address?

Dr. Fox: Indeed it is. Mental health services are the Cinderella service in the NHS, and as a society we must re-evaluate whether the way in which we treat those with mental health problems represents the social values that we would like to see in the world's fifth richest country in the 21st century. I met representatives of Combat Stress yesterday. Such charities do a wonderful job, but we will have to do a lot more if we are properly to fulfil our obligations to those who, as my hon. Friend says, suffer as a consequence of fighting for our security.

They way in which we deal with the welfare of our armed forces is integral to dealing not only with the issues that we have mentioned but with our recruitment and retention problems. One thing that we need to consider is how we treat our armed forces compared with other public servants. I shall give one tiny example of mismatch that I was unaware of until my most recent visit to Iraq.

As many Members will know, our troops returning from Afghanistan get a maximum of 48 hours' decompression, at the discretion of their commanding officer. It often occurs in unattractive surroundings in

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Cyprus, and we have all heard many tales of lengthy periods spent sleeping on airport floors—not much respite for those who have faced bombings and shootings in our name. By contrast, the House might be interested to know that Foreign Office officials in Afghanistan get two weeks' compulsory decompression for every six to seven weeks in theatre. Even better, Department for International Development officials are entitled to the same two-week break away from post for every six weeks in theatre, but they can take a break anywhere in the world on condition that the cost is equal to or less than that of a flight back to the UK. That is not to say that we are treating our officials over-generously, but those in the armed forces will compare their treatment to that of people in other parts of the public service. That will have an impact on recruitment and retention.

I end by giving the House a snapshot of what a decade of Labour's neglect has done to our armed forces. In procurement, the top 19 major procurement projects have gone over budget by a total of £2.95 billion. The Nimrod MRA4 project, which is delayed by 92 months, is £789 million over budget, and the order size has been reduced from 21 to 12. The Astute class submarine, which is delayed by 47 months, is £1.228 billion over budget. The Type 45 destroyer is delayed by 42 months and is £989 million over budget.

Despite an almost unprecedented use of our armed forces in conflict since Labour came into office, Army numbers are down by nearly 2,500, the Royal Navy by nearly 7,000, the RAF by over 14,000 and the Territorial Army by 22,000. Our attack submarines are down by four, our frigates and destroyers by 12, our aircraft carriers by one, fixed-wing aircraft by 168, infantry battalions by four, and armoured fighting vehicles by 479. According to the Government's own figures, 31 out of 36 infantry battalions are under-strength, the shortage being equivalent to four battalions of soldiers. Twelve out of 14 TA infantry battalions are under-strength.

The Government abolished the Defence Export Services Organisation, to the delight of those who oppose the arms trade. In 2004, when we were already involved in two wars, the Government cut the helicopter budget in 2004 by £1.4 billion, and we are still suffering from the consequences. Despite the two wars, this year's defence spending, at 2.2 per cent. of GDP, is the lowest since the 1930s. To cap it all, the Government have not conducted a strategic defence review for this country in 12 years. It is a desperately sorry record, which will take a very different Government a long time to put right.

2.11 pm

John Smith (Vale of Glamorgan) (Lab): I thank you, Mr. Deputy Speaker, for allowing me to speak in this afternoon's debate. I pay tribute to the magnificence of our armed forces and their daily heroism, which we witness across the world. They are engaged on a number of fronts that nobody predicted or imagined. The House is aware of the tremendous job that they do in every part of the world where they represent the defence of this country.

I shall concentrate on what might appear a narrow area of UK defence policy, but, as many will know, I have thought for some time that it is probably one of the most important areas, although it is often neglected and not fully discussed in the House: armed forces training. We can only have the best armed forces in the world—I happen to think that we have—if we provide them with the best possible training in the world.

Since the end of the cold war, UK defence policy has gone through major changes, to which the hon. Member for Woodspring (Dr. Fox) referred. Through a series of defence reviews, we have reconfigured our force structures and armed forces to meet the new challenges resulting from the great unpredictability in the world. We need the ability to respond, which we have had in the past eight years, to unexpected challenges, to be flexible, to have much greater reach, and to be much more effective all round in different scenarios. The predictable scenarios of the cold war no longer exist, so we have, by and large, reconfigured our forces. Although there is some debate over that, it is generally agreed that it was necessary.

We have reconfigured our kit to meet some of the new challenges. The aircraft carriers are on-stream to give us power projection worldwide. The one area that we have not reconfigured, however, is arguably the most important: the training of our enlisted men, ratings and NCOs. The training of the officer corps in the British forces in leadership and management has been successfully modernised and transformed, as the Select Committee on Defence saw on its visit to the defence academy at Shrivenham.

The big challenge is modernising and transforming the rest of the services, particularly the skills and technical training of our armed forces. Eight years after the Government published a report stating that our training regime had to be modernised, we are nearing the end of delivering that for our armed forces. The defence training rationalisation programme is well advanced. The Minister made a statement recently in which he said that progress on that vital and radical project is on track and progressing well. Two weeks ago, a minute before the House extended the contingent liability to £40 million for the biggest Government PFI undertaken in any Department, to allow advanced design work and preparation for the scheme to continue.

The project will completely transform and modernise our delivery of training. It will compress all our training in engineering, mechanical engineering, aeronautical engineering, electro-engineering, computer science and information technology, into one site in my constituency, at St. Athan. It will be the largest technical college by far in the United Kingdom, and one of the largest technical colleges and centres for technical excellence in the world. It will offer British armed forces, especially new, young recruits, the best technical training in the world. Nothing will compare with it anywhere else.

All that training will be recognised in the civilian community, because qualifications will be civilian as well as military. I learned a skill in the armed forces in the 1960s, but it was no good to me when I finished, and I had to retrain. Many of our servicemen and women still have to do that today, despite the fact that 90 per cent. of them get civilian occupations within 28 days of leaving the forces, which is a tribute to their calibre and quality. However, the new training regime, at the defence technical college at St. Athan, will ensure that all our military personnel will leave with civilian qualifications. That is good for recruitment, because it will make a career in the armed forces much more attractive. It is

also good for society, because the engineers who will be turned out over the next 30 years—the duration of the PFI—will serve the community at large. They will be provided with the most modern training environment in the world, using modern, computer-based equipment, virtual training techniques, and student-based and task-oriented training, not the traditional chalk and talk, which has served us well for many years but is out of date for the 21st century and the challenges that we face.

The most important challenge is working in a much more integrated fashion, through jointery involving the three armed forces, and working much more closely with allies. We need a training regime that reflects the challenges that we face daily.

Mr. Walter: The hon. Gentleman is doing a brilliant marketing job, but I am not sure that the instructors at the Defence College of Communications and Information Systems in Blandford would accept his description of the current CIS training regime as "chalk and talk".

Could the hon. Gentleman give us some idea—I alluded to this in my question to the Minister earlier—of the likely time scale? It seems to be slipping farther and farther into the distance.

John Smith: I will refer specifically to the timetable, because I think that it is critical at present. As I have said, the project is on course, but Members should bear it in mind that it is one of the largest and most complex PFI projects ever tackled. The idea that no complexities, problems or challenges will arise throughout its duration is absurd. There are bound to be challenges, but I believe that there is a clear timetable.

The planning application is due to be submitted in spring this year. It is detailed planning, for a massive 600-acre new-build development. This thing is gigantic. The construction programme alone is on a par with the one for the London Olympics. It is therefore understandable that there will be some delays. However, we can reasonably expect construction to begin in August 2010, phase 1 to be completed by the beginning of 2014, and phase 2 to be completed by 2015.

We should pay tribute to the tremendous work of the defence training review integrated project team, which has been under the leadership of Brigadier Geoff Nield for the last four and a half years—an extended period—to ensure ownership of the project. Brigadier Nield will be moving on shortly, but it is important that we record our thanks for his achievement in tackling the huge challenge posed by radically transforming our training provision.

Let me return to the original point made by the hon. Member for North Dorset (Mr. Walter). I apologise for possibly accentuating my argument a bit too much. The term that I used was not intended to be derogatory towards the current providers, who supply excellent training on the nine legacy sites and the three existing military technical colleges. That training has been excellent, and has served us well over the last 60 years. The problem is that it is not the training that we need to meet the challenges of the 21st century.

We need greater integration, greater jointery and greater flexibility in delivering our training. That will be possible only on a compressed site, with all our service personnel being trained side by side, and we could not wish for a better site than St Athan, which will be a purpose-built facility. I recall with horror and terror going to my first camp, as a young recruit, on a dark December evening. I thought that I had descended into hell. There was no heating. It was an old second world war barracks in Newark, for goodness' sake. It was a quite terrifying experience. These youngsters, however, will enter one of the most modern learning environments imaginable: brand new, and offering the best training—largely from the private sector—and the best trainers in the world.

Furthermore, during their stay at St Athan, the length of which will vary, men and women will have a choice. They will be able to go sailing along the beautiful heritage coast in the morning, go climbing in the Brecon Beacons in the afternoon, and at night go clubbing in Cardiff, one of the fastest-growing and most popular cities in Europe. What more could we offer them?

Ann Winterton (Congleton) (Con): I have been listening carefully to the hon. Gentleman, and he must forgive me if I have forgotten, but I am not sure whether he has mentioned the overall cost of this magnificent project at St Athan, which is due to begin in 2010. What investment is required from the British taxpayer?

John Smith: Very little. This is a £12 billion PFI project spread over 25 to 30 years, but much of the risk will be carried by the private sector, and in particular by the two equity partners in Metrix, QinetiQ and Sodexo. This is a PFI project with much of the risk shifted to one side.

As for the cost to the taxpayer, not only will we benefit from the most modern training in the world, but we will save money. The cost savings associated with reducing nine sites to one and getting rid of the current duplication in parts of our training provision over the next 25 years could be enormous. We win both ways. We win by securing the most modern training on offer in the most fantastic environment for learning, and we win by, over time, saving money in the defence training budget. That is what makes the project so attractive, and that is why—certainly in Wales—it has received all-party support from day one.

Progress is being made, and it is being made well. We want that progress to continue until construction starts next year. The facility will provide 1,200 courses. Up to 6,000 recruits at any one time, and up to 25,000 military personnel per year, will be trained on the purpose-built site. The MOD and the Metrix consortium have worked very closely with members of the local community, and have adapted some of their proposals after consulting them. We expect the detailed planning for this huge development to proceed relatively seamlessly in the spring because of the involvement of the community.

Until recently RAF St Athan was the largest military base in the United Kingdom, so we are used to having large numbers of military personnel in the area, but we have challenges to meet if the project is to succeed and our military personnel are to maximise the benefits that they deserve. It is sometimes forgotten that the better trained and better equipped our armed forces are, the fewer casualties result when they engage in warfare. Superior training is much more valuable than large numbers.

[John Smith]

The Russian invasion of Georgia was mentioned earlier. One of the reasons the Russians are considering modernising their forces is that, by and large, that invasion was a disaster. There was little control over the military personnel. They succeeded because of their overwhelming numbers, not as a result of being highly trained and highly professional.

We have a big challenge ahead of us, and we must get the infrastructure right for the project to succeed. The building programme will take three to five years, and we must ensure that the transport network is upgraded to match the large numbers of personnel.

The project is based around the super-hangar, which was part of the Red Dragon project, and an auditor's report on the matter is imminent. Whatever the report says in criticism or otherwise of the Government or of the Welsh Assembly, we should not lose sight of the fact that the hangar was a critical factor in securing the £12 billion investment to transform military training. The hangar will become the core site in the training development.

Our armed forces deserve the best, and through that project they will receive the best. I hope that hon. Members on both sides of this House will continue to support the project, as they have in the past. I hope that those who are responsible for making the decisions to improve the infrastructure—they are not necessarily in this House—will ensure not only that our youngsters benefit, but that the local community does not suffer. I also hope that they take those decisions now.

One or two critical decisions are coming up shortly. We will see a further extension of the contingent liability. Next month, the director of joint technical training for all three services will move to St. Athan. For those who doubt whether the project is on course, I point out that the director is taking a large team to oversee the transition from the existing colleges, as excellent as they are, to the brand-new, purpose-built site. The men and women who represent this country so courageously every day in some of the most difficult environments imaginable—in recent years, the Defence Committee has had the privilege of visiting some of them—deserve nothing less than the best possible training in the world. They will get that at St. Athan, and I hope that the whole House rallies to ensure that the project is delivered on time and to budget.

2.31 pm

Nick Harvey (North Devon) (LD): Like the Minister and the shadow Secretary of State, I start by expressing condolences in respect of those who have died recently not only in Afghanistan, but, as we have heard, tragically and appallingly in Northern Ireland. The Minister pointed out that that takes the count of those who have died in Afghanistan to 152. Each of those casualties is an individual tragedy not only personally, but collectively for our armed forces. In addition to those 152 deaths, we must remember those who have been seriously injured or wounded, some of whom have been wounded in life-changing ways. We do not discuss those people as often as we should. There is something rather British about that, and it is certainly conspicuous that the Americans and, I think, the Canadians often pay greater tribute to their wounded personnel than we do.

It is not easy to make this point, but I shall make it nevertheless. Although the figure of 152 deaths is shocking, if one considers the length of time that we have been in Afghanistan, the huge number of our personnel who have served there and the extraordinarily dangerous work, it is worth pausing and counting our blessings that that number is not a great deal higher. I take the view that that figure might have been higher, which would certainly have been the case in the past. Among other things, we should pay tribute to the advances in medical expertise that have prevented the situation from being a great deal worse.

Both Front Benchers rightly referred to the disgraceful scenes when the Royal Anglian Regiment paraded in Luton, and I echo the sentiments expressed by other hon. Members. It occurs to me that those who mounted those ill-judged protests shot themselves in the foot in terms of the cause that they were trying to promote. The overall effect was to give far more public attention to the home-coming parade than might otherwise have been the case and to unite public opinion in appreciation of what those troops have done on our behalf and in abhorrence at the protestors and their message. The public are now showing a greater appreciation of our armed forces; that has increased a lot in a remarkably short period of time. The regular scenes in Wootton Bassett that we have heard about are a leading example of that. In previous debates in this House, many Members have made the point that our work in Afghanistan is sometimes misunderstood by the British public, but I draw some encouragement from the fact that there is now growing appreciation of what we are trying to achieve there.

Only five months have passed since we last had a debate entitled "Defence in the UK", but a great deal has happened in that time: there has been a grave worsening of the economic crisis; there has been the decision to issue a timetable for withdrawal from Iraq; and a new US Administration have arrived, with a very different approach from their predecessor. I particularly welcome the announcement of a timetable for withdrawal from Iraq, and I recall with some amusement that when we Liberal Democrats argued previously for that, we were lampooned on the basis that we could not have a timetable for withdrawal and it was naive of us to think that such a thing could be done as we should never signal our intentions to the enemy. However, we said at the time that the day would inevitably come when the Government would announce a timetable for withdrawal from Iraq, and they have now done so, and so too have the Americans. It is my sincere belief—as it was when my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) first suggested to this House that there ought to be a timetable for withdrawal from Iraq—that that is long overdue and could have been done a great deal earlier.

Dr. Julian Lewis: I am pleased that a debate on defence in the UK can be interpreted as covering defence in the world, and I would just point out that the Liberal Democrats were proposing a timetable for withdrawal before the surge had happened and succeeded, and at a time when the outcome of the conflict in Iraq was very much in the balance.

Nick Harvey: I respect what the hon. Gentleman says and I understand his argument, but the point that was made at the time was that one could not have such a

thing as a timetable for withdrawal, and the fact of the matter is—*[Interruption.]* That was not the point that was made at the time; the point was made that we could not have a timetable for withdrawal, but of course we can have a timetable for withdrawal. Clearly, it has to be a timetable that takes account of the circumstances, but the fact of the matter is that we can have such a timetable and, ultimately, as was always going to be the case, that is precisely what we have ended up having.

The arrival of a new US Administration is a very welcome development. That is already giving rise to a remarkably swift reconsideration in the United States of its approaches to some of the significant issues with which we are ourselves tied up.

Mr. Kilfoyle: Will the hon. Gentleman also touch on the changes taking place in Europe, notably the decision by the Czechs no longer to participate in the futile missile defence programme, which the official Opposition, along with the Government, seem to be hellbent on pursuing, regardless of Obama coming into office?

Nick Harvey: That is certainly a very interesting development, as, of course, is the French decision to rejoin fully the NATO command. These are all factors that affect the circumstances in which we organise our defence in the UK.

It seems to me that in the UK defence is still the poor relation in the progressive agenda. We have seen new thinking in education and health and on the environment, but in defence we remain stuck with some outmoded habits and a lack of new thinking. As has been said, it is perfectly true that there has been substantial and significant reorganisation of our armed forces since the end of the cold war, but it is still possible to level the criticism that we remain too much configured along cold war lines and that there is a need for further reorganisation to get us configured for the modern-day realities. America has, I believe, woken up to this; President Obama is planning an overhaul of US defence procurement and strategy, bringing it out of the cold war era. When, I wonder, will we? In every debate Ministers are urged to set up a new strategic defence review so that we can reassess and realign defence, where necessary, and make new decisions about how to face future threats and challenges, yet still they resist any suggestion that that should happen. I am confident that after the next election, whatever its outcome, a strategic defence review will be set up, but it could be doing its work a great deal sooner if some of the scoping of it were to be set in train now and were to be subject to some debate before the election.

Richard Younger-Ross (Teignbridge) (LD): Is there not a danger that if we are still fighting the last war to happen—or the last that did not happen—and still have a cold war mentality, there will be some, particularly in Russia, who interpret that as being a threat to them and that will end up distorting their foreign and military policy? That may make our maintaining a cold war strategy, in part, a reality, rather than the reverse; the deployment of missile defence may be making the situation a lot worse.

Nick Harvey: My hon. Friend makes an interesting point. I do not think it takes very much for the Russians to interpret anything they choose as some sort of provocation, but one certainly does not want to give them any additional grounds for doing so, if one can help it.

One can only hope that by the time we next have this debate, most of our involvement in Iraq will be over. I echo the points made in yesterday's debate about the fact that we should be getting on with the process of setting up an inquiry into exactly what we achieved there, what went well, what went wrong, why we got involved in the first place and what lessons we might draw from that for future engagements, particularly if we maintain, as the outcome of the strategic defence review, as I hope we will, a commitment to an interventionist policy and to expeditionary warfare. I hope that lessons will also be learned for operations in Afghanistan, where there are still many challenges ahead, most notably the real problem of overspill into Pakistan, which is, itself, very unstable at the moment. We will have an ongoing task preparing the British public for what will be a protracted conflict.

The economic crisis poses a new threat to our national defence. We have been aware for some time that there is a black hole in the Ministry of Defence finances. A year or so ago, it was estimated at £2 billion, and it is in no danger of shrinking—indeed, there is every likelihood that it will get bigger and bigger. Estimates of true defence inflation vary; some say that it is at least 3 per cent., whereas other figures that are cited are higher. It is clear that the defence industry is not going to remain untouched by the current economic difficulties, and this will bring uncertain consequences for the skills bases, contracts and projects involved.

In these uncertain times, the defence industry is partly immune from the wider malaise, but we must be careful to ensure that the economic difficulties do not impede further our activities overseas or the delivery of vital resources to the front line. The recent Defence Committee report highlighted that, even now, there are problems with equipment. Our track record on procurement is like a broken record: delayed, over budget and below requirement. The Government have yet to face up to the reality of how on earth they will be able to afford all the programmes that are still in place in principle on the budget that is available at the moment and what they will do to get industry on board, to try to make the delivery of existing projects more efficient.

As part of the present crisis, we should look at current procurements, but problems from the past are also catching up with us. We have heard that Nimrod is to be grounded, which is an admission that the fleet is not fit to fly. It seems to have taken Ministers a long time to arrive at that conclusion, whereas aircrew, coroners and others have been saying for some time that the aircraft are not airworthy. It does not surprise me, in the light of the current economic storm, that Trident and the proposal to renew it have been mentioned. We heard from the hon. Member for Liverpool, Walton (Mr. Kilfoyle) that some distinguished retired military figures have been debating it. We heard from the Minister that people have been debating it on the conservativehome website. There is renewed interest in the subject in the light of the economic crisis.

Mr. Kilfoyle: It is not only distinguished ex-military personnel, but they have been fairly outspoken. I would far sooner listen to people who have been on the front line than the armchair generals of the television studios or newspaper columns. Ted Postol, the man who designed the Trident system, has pointed out that it could be

[Mr. Kilfoyle]

adapted for the needs of our country, if that is what we wish, instead of spending an as yet indeterminate sum replacing it.

Nick Harvey: The hon. Gentleman makes a very good point. It is right to ask questions about this issue. We believe that the House was premature in seeking to make a decision two years ago. A final decision does not have to be made, and in truth will not be made, until main gate, which is the point at which the Thatcher Government made the political decision about Trident. The significant costs of Trident replacement will begin to rack up only midway through the next decade. I do not suggest that the questions need to be answered today, any more than they had to be two years ago, but it is right that the questions are being asked. They will continue to be asked from now right through to the time at which any decision is made. It is especially apt that the questions arise at the moment, as we progress towards the 2010 non-proliferation treaty conference talks.

I listened with interest to the hon. Member for Woodspring (Dr. Fox), who expressed his sincerely held view, which can be fairly characterised as being that there were no circumstances in which he thought it would ever be possible for the UK to give up its nuclear deterrent. That is a point of view, and he is entitled to hold it, but if he, as a Minister, were to articulate that position on behalf of the UK, it would undoubtedly put us in breach of the nuclear non-proliferation treaty. We have binding and solemn commitments under that treaty that it is our duty to try to fulfil at all times.

Personnel must be our priority. Withdrawing from Iraq will alleviate some of the burden, but Afghanistan will continue to take its toll. The mental health casualties will start to become more apparent in the coming years, and we surely all agree that more needs to be done to tackle this issue head on. However, I welcome the progress that has been made recently. We still have a huge problem of alcohol and substance abuse among former personnel, and a high proportion of prisoners—one in 11, or some 8,000—are ex-services.

Preparing our service personnel for life after the armed forces, whether that be rehabilitation, medical care and support or further skills and education, still needs to become more central to our thinking. For service personnel and their families we must do more to honour our commitments. In particular, a recent National Audit Office report revealed that housing was still in a sorry state. As I have said before in these debates, at the current rate of progress, it will take 20 years to bring all the housing up to scratch. That was widely pooh-poohed at the time, but I was intrigued to note that the NAO report arrived at the same figure.

Bob Russell (Colchester) (LD): Does my hon. Friend agree that that is a legacy of the privatisation by the previous Government of the MOD housing stock to Annington Homes? It also represents the failure of this Government to address the problem, because 12 years down the line the public purse is still spending a small fortune for property that it does not, and will never, own unless legislation is introduced to bring MOD housing back under MOD ownership.

Nick Harvey: There is no doubt in my mind that the Annington deal was a bad deal for the taxpayer and that we have, in a sense, been paying a price for that ever since. I must say that the Government have a nasty habit of aggregating routine maintenance, rent and improvements and of presenting the sum of those costs as though the total was all being spent on improvements. That, I am afraid, is misleading. It will take a long time—

Mr. Kilfoyle: Will the hon. Gentleman give way?

Nick Harvey: I have given way to the hon. Gentleman a couple of times, and I think that it would be better if he made a speech himself, if he can catch your eye, Madam Deputy Speaker.

The fact is that nearly a third of service personnel and their families are unhappy with the standard of accommodation.

We have mentioned already that there are interesting developments in Europe. The US, for example, has made it clear that it wants to deal less with the UK as a bridge to the European Union and more with the European Union as a whole. Although we must continue to have a strong bilateral partnership with the United States, it is in its interest as well as ours to have a stronger European partner this side of the Atlantic. I hope that the Minister and his colleagues are exploring avenues for greater defence co-operation, particularly now that the French have changed their stance in such a significant way. I hope that in the fullness of time, such co-operation will come to enjoy the support of all parties.

UK defence, in my view, is in drastic need of an overhaul. We need a new strategic defence review and a good hard look at the configuration of our defence and the infrastructure behind it. The economic crisis only adds to the imperative to deliver cost-effective and vital projects efficiently and to tight deadlines. As John F. Kennedy once said:

"When written in Chinese, the word 'crisis' is composed of two characters—one represents danger and one represents opportunity."

Let us not get entrenched in the economic crisis to the detriment of our defence capabilities, but seize this opportunity to come out the other side with a more effective, efficient and decisive armed force.

2.52 pm

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): I hope that the Minister is enjoying his time in the Ministry of Defence. I recall vividly that when I was appointed Secretary of State for Defence, I received a letter from the late Julian Amery, who said, "You will enjoy the Ministry of Defence. They spoil their Ministers and make them feel heroic." As Defence Ministers inspect guards of honour, sit in tanks and fly in planes, one can understand what he meant.

I want to begin by addressing what is, in a certain sense, a paradox. The Government will constantly say, as they have said for many years, that there is real growth in the defence budget and that there has been over the period that they have been in office. Technically, they are correct. They will also maintain that the UK, after the US, spends more on defence than virtually any other country in the world. That, too, is correct. However, one recalls the remark that one can use statistics like the

drunk man uses the lamp post—for support rather than illumination. The Minister and the Government know as well as the rest of us that although those statistics might have some technical accuracy, they are combined with equally important facts that were referred to by my hon. Friend the shadow Defence Secretary.

Over the past 12 years, we have seen a dramatic reduction in the number of aircraft and combat ships and in the manpower of the armed forces. We have also seen the Government's inability to carry out the task that they have appointed for themselves without extraordinary overstretch for the armed forces and an unprecedented use of our reserve forces, to which I shall return in a few moments' time.

So how does one explain the fact that despite real growth the outcome is so depressing? Part of it, as my hon. Friend the Member for Woodspring (Dr. Fox) said, was that the increase in the cost of procurement projects is vastly greater than any retail prices index might show when it is used to determine the defence budget. That is clearly part of the explanation, but another element has been the continuing and increasing pressure to improve—quite rightly, in many ways—the pay and allowances for our armed forces. That, too, is something that we welcome, but it has the consequences to which I have referred.

However, the Government cannot escape the fact that another part of the explanation is that their policy over the past 12 years has resulted in far greater use of our armed forces in a series of wars, conflicts and operations. That has not been funded simply by the reserve, because it has involved a much greater utilisation of equipment. The fact that that equipment is used far more often means that it has a shorter life and constantly needs to be repaired and improved, and the overall impact has been of a very serious order.

I freely acknowledge—indeed, I take great pride in the fact—that, after the US, the UK and France are the only countries that can claim a significant ability to deploy armed forces around the world. There are larger armies—in Russia, India and China, and so forth—but, for various reasons with which I am sure that the House is familiar, the UK and France remain very important countries. I deliberately include France in this regard because it is comparable with the UK in the sense that both countries are able to match diplomacy with military capability, where that is appropriate. That is hugely desirable but, despite the incredible economic growth we are told we have had over the past 12 years and the huge increase in cash going to the MOD, there has still been extraordinary overstretch in all sorts of ways. If that has been true during the years of plenty, what do we have to look forward to now, given that we have entered a period for which there are extremely lean implications?

The hon. Member for North Devon (Nick Harvey) said that there was a need for a review at some stage. I think that he is right, but we must clarify what we mean by that. In a sense, I am addressing my comments on this matter to both Front-Bench teams because, although there will undoubtedly be a need for a review, it cannot be only a defence review or limited to our armed forces. Any review must combine the Foreign and Commonwealth Office with the Ministry of Defence in a way that has not happened before. Only then will we end up with a coherent and deliverable policy that does not repeat the mistakes of the past.

Most of the time, our defence and armed forces are not an end in themselves but the means to an end determined by our foreign policy. Defence is the handmaiden of foreign policy: it is one of the means—although not the only one—by which we sometimes have to implement or advance our foreign policy objectives.

Frederick the Great once remarked that diplomacy without arms is like music without instruments. Over the past 12 years, our armed forces have been used to a degree unprecedented since 1945. Under Mr. Blair, and the trend has continued under this Government, we have had a series of wars. Of course, wars did not begin in 1997, but what has been unprecedented is that most of the wars since then have not been wars of necessity. Instead, they have been wars of choice.

I do not want to go today into the question of whether the choices were right or wrong. That is a separate issue but, in the past, most of the wars that we found ourselves in were ones in which either we or our allies had been attacked. War therefore became necessary, because no other option was available. However, the wars in Kosovo and Iraq were wars of choice, and the same is true of what happened in Sierra Leone: even though that was a very small combat operation, it was still a war of choice on the Government's part.

I concede that the war in Afghanistan is more difficult to determine, because of 9/11 and the rest of the background. One could say that it was an intervention of necessity, but in every other respect the operations that have been putting such huge pressure on our armed forces were not imposed on the British Government. They were something no Government could have ignored; they were decisions, right or wrong, that the Government chose to take. If we are in that world, it is crucial that this essential review—whether the Government are Labour, or indeed Conservative—not just takes into account the foreign policy that the Government of the day want to pursue, but must actually be based on it.

I have made no secret of my dislike of the policy of using our armed forces to intervene in other people's wars, but I want the United Kingdom to continue to have a global world role. We have much to contribute to the world and, for the most part, our contribution is highly beneficial, but the worst possible outcome would be for us to continue to have aspirations towards a global foreign policy while we refuse or are unable to provide the means to implement it, in particular its military component, whenever it may prove necessary. That would be the worst of all possible worlds.

I point out to my hon. Friend the Member for New Forest, East (Dr. Lewis), perhaps more than to the Government—they are at the end of their term and we are about to begin ours—that implementing that role will be a crucial requirement. We know that the Government have been reluctant to deal with the comprehensive spending review, no doubt because they have problems not just with defence but with all sorts of areas of expenditure. However, with the exception of health and, I think, overseas development, there would be no ring-fencing of any budget by a future Conservative Government. In a way, I welcome that; it is right and proper that such matters are examined without preconditions and without too many pre-qualifications, but it is crucial that the next Conservative Government deal with the problem—as much as the Labour Government have failed to—in a way that does not continue the desperately serious overstretch of recent times.

[Sir Malcolm Rifkind]

In the second half of my remarks, which is linked to the first, I shall concentrate on our reserve forces. I declare an interest as I was for eight years the honorary colonel of a Territorial Army regiment. Hearing about the invitation to do that was as much of a surprise to me as it may be to other Members. Normally when someone ceases to be Secretary of State for Defence, the armed forces never wish to see them or hear of them again, regardless of personality or the colour of the Government concerned, so the invitation was unusual and a great privilege. One day I must table a parliamentary question to find out how many Secretaries of State for Defence in the Labour Government were so approached after their term of office. I suspect that the answer would cheer me up enormously.

The way in which the Territorial Army has been used over the past 12 years has been one of the most serious examples of problems in resources leading to policy decisions that have had, and continue to have, serious implications of a considerable kind. I remind the House that until the Reserve Forces Act 1996, the reserves had not been used since 1945. Such was the legal position throughout those years that there had either to be general mobilisation of the whole Territorial Army or no use of the reserves at all. For example, the Territorial Army was never used in the Gulf war or the Falklands war, because there was no legal basis that would have permitted that without mobilising the whole reserve force. That caused considerable frustration. Many individual reservists, having received splendid training, wanted to be able to use the skills they had been given.

As Secretary of State, I initiated the policy changes that led to the 1996 Act and I am delighted that we introduced it. However, the Act has been used in ways far different from anything that was contemplated. Under the Act, it was contemplated that it would be possible to use individual units for a particular short-term operation, or to fill some immediate gap to deal with what nowadays we would call a "surge requirement" for a limited period, but that is not what has happened. There has, in fact, been a continuous use of the reserves in the wars and operations that have continued without interruption since the invasion of Afghanistan and Iraq. In the case of Afghanistan, our involvement looks like continuing for a number of years to come.

We had better be clear about the implications of that. The Labour Government's general attitude towards the reservists has, I fear, been pretty shabby. One of the decisions that they took in the 1998 strategic defence review was to make a massive reduction in the size of the Territorial Army. It was 56,000-strong at that time; it has 36,000 people today. Over the past 12 years, we have entered the worst of all possible worlds; there has been unprecedented use of our reservists exactly when their numbers have been dramatically reduced to their lowest level for many generations, if not ever. It is that dysfunction and disharmony that are so indefensible, in my judgment.

Let me give the House figures relating to what has happened since 1997. Since 2003—that is, since our involvement with Iraq, Afghanistan and so forth—17,000 reservists have been mobilised. That represents 9 per cent. of those mobilised in Afghanistan, and 4 per cent. of those mobilised in Iraq. I draw attention to a particular point: when we passed the 1996 Act, we did not envisage those sorts of numbers. We said that the use of an individual reservist should be such that his or her cumulative exposure should be a maximum of one year in three. That remains, I think, the legal position today. The Ministry of Defence handout "Future use of the UK's Reserve Forces", published on 7 February 2005, says, in referring to the massive mobilisation that the 1996 Act never envisaged:

> "It is recognised that regular mobilisation of the VRF"—

that is, the volunteer reserve forces—

> "up to this maximum is unsustainable."

It goes on to say:

> "The feedback...is that a limit of up to 12 months' service in aggregate over 5 years is more reasonable unless the individual volunteers for more frequent tours."

That sounds good; that sounds as if the policy were becoming more flexible. However, the document goes on to say:

> "Where possible, this is the level which we intend to apply unless no viable alternative exists."

In other words, the Government make the concession and make it meaningless, in the same sentence.

It is not sustainable to continue with that policy. I say that to the Government and, indeed, to my right hon. and hon. Friends, because I suspect that they will have responsibility for the matter in the not-too-distant future. We already know the consequences. Reservists have been voting with their feet. After the Iraq war, between 2003 and 2005, some 15,000 reservists quit, and they have not been replaced. I mentioned earlier that the size of the Territorial Army is 36,000. That is not its authorised strength; its authorised strength is 42,000. The reason it has only 36,000 people is that it has not been able to recruit the numbers required. People have not been willing or able to join in the numbers that the Government presumably think necessary. That should cause serious concern to the Government Front-Bench team.

I make one final point in drawing to the end of my remarks. It may be said, "Well, you know, it is not just reservists whom we have had problems recruiting; the regular forces have had similar difficulties." That is true, but there is a crucial distinction that I do not think has yet been mentioned. Over the past few years, we have gone through a period of very low unemployment. Historically, when unemployment is low, the regular forces have difficulty recruiting to the extent required. For very sad reasons, that will now change. Now that unemployment is becoming a serious problem, it is likely that the regular forces will not have anything like the same difficulty recruiting. Although that will benefit the regular forces, exactly the opposite argument will apply to the Territorial Army. Precisely because unemployment is increasing and getting very high indeed, employers will have not the slightest incentive, when they have such a vast number of people from whom they can recruit, to chose those who, for one year in three, or whatever the period will be, are required by the Government to fill the gaps that they are not prepared to fill through the regular Army.

Mr. Philip Dunne (Ludlow) (Con): My right hon. and learned Friend is making a typically powerful speech. On the subject of recruitment and retention in both the regular Army and the Territorial Army, does he not

think that it is an absolute disgrace that the Government are within a week of implementing a new pay round, and none of our professional men and women in the services have any idea what pay they will be entitled to from Wednesday of next week? When he was Secretary of State for Defence, would he have allowed such a shambolic situation?

Sir Malcolm Rifkind: I would certainly have tried to prevent it, but whether the Treasury would have allowed me to do so is the question that must be addressed. I have not the slightest doubt that the Ministry of Defence could make the announcement today if it were permitted to do so. Another part of Government is creating the problem, and it is a disgrace. My hon. Friend is right to refer to it.

The Minister was good enough to allow me to intervene on him to raise the review of the reserve forces. I welcome the fact that that review is taking a lot longer than originally intended—I make no complaint about that. However, looking at the review's terms of reference, I am not convinced that those conducting it will be able to address the questions that I have raised today. I hope that they will do so—I hope that when the review is published, it will refer to the gross overstretch and misuse of the reserve forces. It is not good enough for the Minister simply to say that individual reservists like going out on operations—of course they do, I have not the slightest doubt about that, but it is not just about their personal interest. Their families and employers are also involved in the process, and the Government know perfectly well that the strains that have developed in recent years have made the current policy unsustainable.

I simply conclude by saying, first, that we cannot have foreign and defence policies that are not in harmony. Secondly, if the Government—whoever they are, Labour or Conservative—wish, as I hope they will, to have a world view and a global foreign policy, it is no longer possible to resist the argument that the regular forces in particular have to have the manpower compatible with that aspiration. While the reservists can help and may be used for special occasions, such as surge requirements, and to fill particular gaps—that is what they are there for; I do not have a problem with that—the idea that they can be a permanent way of supplementing the regular forces and getting regular soldiers on the cheap should never have come into play. It must stop, and the quicker it does, the better.

3.12 pm

Mr. James Arbuthnot (North-East Hampshire) (Con): My right hon. and learned—and, now we discover, gallant—Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) has just given an appalling portrayal of the defence of this country clinging on by the skin of its teeth.

Twenty-three years ago, just before I became a Member of Parliament, I sat in the Public Gallery and watched a Secretary of State mesmerising the House of Commons. If I thought that I would immediately follow him on the Floor of the House, after the intervening period in which he served as Secretary of State of Defence and Foreign Secretary, I would have been appalled, and I would have been right. However, it is a great honour to follow my right hon. and learned Friend in a debate on defence in the UK.

I am afraid, Madam Deputy Speaker, that you may have a little difficulty keeping us in order, because the title of the debate is, at best, not very helpful and, at worst, utterly meaningless. It gives the impression of "Dad's Army". While many of our forces are of course deployed abroad, there is also a plucky home guard ready to fight off the Russians if they turn the wrong way coming out of the northern approaches. As a title, "Defence in the UK" is complete rubbish. The Defence Committee is currently conducting an inquiry into our relations with Russia. I shall confide to the House, hoping that it goes no further, that we do not consider ourselves under imminent threat of invasion.

We can, of course, in this debate discuss home basing issues, and I intend to say a little about Project Belvedere. We can discuss some of the training issues, in so far as training takes place in the UK, and we have heard from the hon. Member for Vale of Glamorgan (John Smith) about St. Athan, which was a surprise to all of us. But "Defence in the UK"? Modern defence is not a geographical thing. It rests on industry, which is global, on our alliances, which are global, on our interests, which are global, and above all on our people in the armed forces, to whom I pay a very great tribute, and there are now few of them who stay in the UK for very long.

Whatever we do has an effect elsewhere. What happens in Pakistan, whether it is an attack by an American drone based in Afghanistan on insurgents in South Waziristan, or the attack on the Sri Lankan cricket team in Pakistan, affects attitudes in the Pakistani community and in other communities in the UK, because the media are global too. Communication is now instant. To distinguish between the UK and Pakistan or Afghanistan is becoming increasingly pointless, since everything that happens there will instantly affect what happens here.

And that is what this country does not get. It is what this continent, Europe, does not get. They do not understand that leakage of nuclear weapons technology, as has already happened in Pakistan, thanks to A.Q. Khan, is just as likely to lead to a nuclear bomb going off in London as it is to one going off in Islamabad—in fact, rather more so. The people of this country, of this continent, do not believe and do not understand that if we allow the region of Pakistan and Afghanistan to become even more unstable than it already is, it is not the Islamic countries that will be the targets of the new rulers of those countries. It will be us, here in the UK, so we cannot afford to fail there.

But for reasons that my right hon. and learned Friend has just set out so eloquently, it looks as though, in financial terms, we cannot even afford to try to succeed. We are devoting to that particular struggle one twentieth of the number of troops and one fiftieth of the amount of aid that we devoted to the much richer and more stable area of Bosnia. We are using up our kit five times faster than we can replace it. We are fighting a war with a peacetime mentality.

That is because nobody is effectively proclaiming in this country or this continent that defence is good, that we have the right to defend our values, and that we have the duty to do so. The Secretary of State for Defence recently came out with a reiteration of the defence planning assumptions that is almost identical to the previous defence planning assumptions. There is a sense of treading water. Afghan operations must not mean that the Ministry of Defence or the armed forces will in

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a few years be trapped in a time warp. There needs to be new thinking now, thinking ahead for future challenges, because they are not even future challenges—they are challenges that we face now. It is just that we have not recognised how serious they are.

To give him his due, I believe that the Secretary of State for Defence believes in defence. I believe that of the whole defence ministerial team. However, the Ministry of Defence team alone does not have the capacity to deliver on the need to inspire and give the country the sort of warnings that Winston Churchill was giving in the 1930s. It needs the whole Government, including the Prime Minister, to pull in the same direction and they need to take the House, which is now nearly empty, with them.

This may seem a cheap point, but it happens to be true. To most hon. Members, a defence debate means an opportunity not to discuss matters fundamental to the survival of this country and our values, but to go to their constituencies. Yes, their work there is important, but it is rarely a matter of life and death, as what we are discussing today is. The Government need to take the country with them, but the plain truth is that the absence of Russian hordes in the northern approaches has meant that defence has become something that we have taken for granted and that some people, such as those involved in the Campaign Against Arms Trade, are even uncomfortable with.

In the House, there used to be three individual service day debates and two days' debate on the statement on the defence estimate. All that became meaningless as the services did more and more on a joint basis, and it rightly changed in the late 1990s and the early part of this century. However, now there are three debates on policy, procurement and personnel, and two more were added—on defence in the world and defence in the UK—to make up for the defence estimates debate, those last two being particularly unfortunately named. We need a return to two days' debate at a set time each year—perhaps when the MOD's annual report is issued, so that there can be a useful focus. We need five general days' debate on defence, and perhaps more.

I said earlier that I would say a little about the basing decision involved in Project Belvedere. For some time, the Ministry of Defence has been considering whether to re-base the Chinook helicopters that are currently at RAF Odiham. In the last debate on defence personnel, I discussed the issue at some length. I shall not do so again today; suffice it to say that the Chinooks should stay where they are. However, I want to say one thing. The Minister said that he was trying to bring the issue to a conclusion as soon as possible and that no decision had yet been made. Today we are having a debate on defence in the UK, and today would be the correct time to announce that the Chinooks will stay where they are. We all know that there is no money and no appetite to move them. The only obstacle in the way of the announcement of the decision, and in the way of some welcome clarity and direction for those who have been abortively slaving away at this ghastly project for years, is chronic indecision. I ask the Minister to make the announcement—just get it over with. He will feel a lot better for doing so, and so will we.

Frankly, the design and implementation of the joint personnel administration system, or JPA, has been a disaster. Its failings were broadly responsible for the Comptroller and Auditor General's qualifying the Ministry of Defence's accounts. Neither the Ministry of Defence nor those, such as the Defence Committee, who scrutinise it, can see what is going on. Many personnel data are provisional, projected or uncertain and that has been the case for the past couple of years. In its quarterly reports, the Ministry of Defence cannot even properly report against some of its new departmental strategic objectives, because it does not have the necessary data.

Those failings may sound technical, but they have caused profound unhappiness among service personnel. Today I heard about the case of an Army captain who was posted abroad and was not paid for three months. When he got back, he discovered that his credit rating had been severely damaged. The response was: "It's your fault. You should have looked on the internet to see that things were working properly." Well, let us remind our soldiers to take their laptops with them to Musa Qala in future. We cannot treat our soldiers in this way.

Unless the JPA is sorted out, there will be more grounds for dissatisfaction within the armed forces than it is comfortable to imagine. We need to treat those people properly—in their housing, in relation to their families, in their medical care, in their pay and conditions, and in their life after they leave the armed forces. That is not just because we need them, although we truly do, and not just because they are courageous and effective, although they really are, but because it should and must be a matter of honour for us to recognise and appreciate that they sacrifice everything for their country and for our values. They give us our freedom, and we owe them more than we can express.

3.26 pm

Ms Katy Clark (North Ayrshire and Arran) (Lab): It is a great pleasure to have the opportunity to contribute to this debate. I want particularly to raise two issues that are of great concern to my constituency and have been raised with me by a considerable number of constituents.

The first issue, which has already been raised by several hon. Members, is Britain's possession of nuclear weapons, particularly the decision to renew and replace the current Trident nuclear weapons system. As the Minister will be aware, this has for many generations been higher up the political agenda in Scotland than in other parts of the United Kingdom. There has traditionally been a far higher level of opposition to nuclear weapons in Scotland, for a variety of reasons.

From the 1950s, we have had ongoing campaigns against nuclear weapons, so the issue has been very visible in the public eye. Since the 1950s, we have seen considerable shifts to the left in public opinion. Parties of the left are far stronger in Scotland than in other parts of the UK, and social democratic ideas are much more central in the political establishment. There is also the fact that nuclear weapons systems—Polaris, Poseidon and Trident—have been physically based on the west coast of Scotland, which is our major population base. In constituencies such as mine, we do on occasion see the submarines travelling up and down the Clyde, so people feel that this is far closer to them. That cuts both

ways. A number of jobs are provided at the Faslane nuclear weapons base, but there is awareness of and concern about the situation and a debate about whether it is appropriate for Britain to possess nuclear weapons at all.

I welcome some of the statements recently made by the Government, particularly by the Prime Minister, on the proliferation of nuclear weapons and their possession by countries throughout the world. Those statements are reinforced by what is being said by the newly elected Administration in the United States of America. As the hon. Member for North Devon (Nick Harvey) said, we are moving towards next year's non-proliferation treaty review conference. It is therefore appropriate that the British Government are trying to put this issue far higher up the political agenda, not only because of the new US Administration but because of the greater risks that we all face in the world as the years go by.

The position taken by the Conservative Front-Bench spokesperson, the hon. Member for Woodspring (Dr. Fox), suggests that his party sees no circumstances whatsoever in which Britain could move towards not having nuclear weapons. My fear for many years has been that many of the arguments made for Britain's possession of nuclear weapons could be used by any country in the world. The implication of those arguments is that any and every country in the world will possess nuclear weapons as time goes on, and that is a world that we should all fear. We need to put moves on restricting and removing weapons of mass destruction at the top of the international agenda.

Such points have been put to me repeatedly by my constituents, and increasingly in the last few months I been asked whether, given the current difficult economic circumstances, it is appropriate for Britain to be spending something in the region of £76 billion on these weapons. The figure is indeterminate; we do not know exactly what it will cost to replace the current Trident nuclear weapons systems, but we know that historically such projects have tended to end up being more expensive than originally envisaged. Whatever the cost, it is likely to be huge, and given some of the other comments made in the debate about our armed personnel and the support that people receive not just through pay, but when they return home having been in the military—particularly those suffering from physical or psychological injury—we have to question whether that is the best use of the nation's resources.

I place on the record my hope that the Government will look again at the issue of Trident renewal, and use opportunities available in the coming debates on the non-proliferation treaty to consider ways Britain can move to a non-nuclear future, and perhaps more importantly, to use that as a mechanism to ensure that we restrict as much as possible the possession of such weapons of mass destruction throughout the world. Any other position that Britain took would be hypocritical. If we say that it is good enough for us, it is difficult to say that it is not good enough for other nations. In our foreign policy in general, such hypocrisy has damaged us, particularly in the past few years in the lead-up to the Iraq war, and in the repercussions of that war and the war on terror. It would be a significant failing if we continued down that path.

The other issue I want to talk about is the future of the Defence Storage and Distribution Agency, which affects my constituents and those of a number of other hon. Members. The DSDA was formed three years ago after the Ministry of Defence won an in-house bid in competition with two private sector companies. Indeed, since its formation, another look has been taken at whether the service should be privatised or remain in house.

There was great concern that in the pre-Budget review before Christmas the DSDA, along with a wide range of other public sector organisations, was named as an organisation that would be looked at again for efficiency savings, and to establish whether it is an appropriate part of the public sector to consider for outsourcing, privatisation or some other model. More than 250 privatisation programmes are running in the Ministry of Defence, and an operational efficiency programme is currently being looked at by the Treasury to determine whether the DSDA should be looked at again.

Approximately 350 people are employed in a military depot in my constituency by DSDA, and there is a great deal of concern about the proposals. I have written to the Secretary of State and asked him, along with Treasury officials, to meet the relevant staff trade unions to talk through the process. I have also asked them to meet not just myself but other interested MPs in whose constituencies affected depots are sited, on a cross-party basis. We understand that there might be some kind of announcement on the issue in the Budget, so I ask Ministers again whether such a meeting could be set up.

One frustration is that since the announcement, it has been difficult to get information about the process. This might be an early stage, and there might not be a huge amount of information to share, but there is concern that there might be an announcement in the Budget when staff have not had an opportunity to take part in the process. Will Ministers get back to us on that, either in the debate or in the next few days, and will they meet the relevant Members? There is a great deal of concern, given the Ministry of Defence's history on the issues of privatisation and job security. I therefore ask Ministers to reconsider the matter, and I would appreciate it if they would come back to us with some dates for a meeting.

3.36 pm

Ann Winterton (Congleton) (Con): It is a pleasure to speak in what has so far, quite rightly, been a wide-ranging debate. I begin by paying tribute to those who have given their lives in the service of this country since the last defence debate, and to their families, who are left to bear the burden for a very long time.

There have been some excellent speeches, not least from my hon. Friend the shadow Secretary of State, although I am rather concerned that he did not make the point that we are living in the deepest recession in my lifetime, which will severely restrict his hopes and aspirations for future defence policy. There will be slippage in many programmes and in the amount of money that the current Government have committed for the future. Those problems will land in the lap of the next Secretary of State.

I do not disagree in any way with my hon. Friend on the principle that, as well as being able to fight counter-insurgency wars, we need to be able to tackle what I call conventional, state-against-state warfare. As a down-to-earth person, however, the question that comes into my

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mind is how Members of all parties think that that can be paid for. The current Government will not be holding the reins, because I do not believe that they will be returned to office at the next general election. That very difficult question will therefore have to be dealt with by the Conservative party, if, as I hope, we are on the other side of the House.

Mr. Arbuthnot: Does my hon. Friend believe that the problem that she has set out was significantly exacerbated by the announcement in December of, in essence, the postponement of all major defence procurement decisions until just after the next general election?

Ann Winterton: That is the point that I was seeking to make, and my right hon. Friend has made it much more succinctly. Of course, he is absolutely correct. Decisions are being made now, but the payment problem will not arise until after the next general election. That will exacerbate the situation by limiting the choices of an incoming Government.

No one in this House or the UK doubts for one minute the bravery, determination and skill of our armed forces, but we as a nation have failed in our engagement in Iraq, and although heavily committed in Afghanistan, our forces are struggling from a lack of appropriate equipment, especially protected vehicles and air power. Iraq and Afghanistan are two wars for which the United Kingdom, and more specifically the Army, was totally unprepared in terms of both weaponry and training. On more than one occasion, I have welcomed new kit, which has proved most excellent, but we still lack sufficient numbers of protected vehicles, helicopters and airlift capacity. Both training and weaponry have been more suited to conventional warfare than to the sort of counter-insurgency operations to which our troops have more recently been committed. The United Kingdom is now too small, militarily speaking, to engage well in both conventional and counter-insurgency warfare. We have recently been most heavily involved in the latter, and given the present instability in various parts of the world, that is unlikely to change in the near future.

The future Army structure, for which the Army has been completely reorganised, is concentrated on a medium-weight capability based on airlift. With the life of the Hercules C-130K coming to an end in 2012 and the J-type not due in service until 2026, combined with the A400M programme looking extremely dubious, a hopeless mess is likely in a few years unless a decision is taken in the near future. Otherwise, some difficult decisions will have to be made by an incoming Government. It is highly likely that not one A400M will be delivered within the framework of the contract for the whole order of 25 aircraft. The Minister will not disclose in answer to my parliamentary questions what the penalty clauses are or who will pay the damages for late delivery. I should have thought that quite an important point.

Nor is the problem the much quoted "lack of funding". We need only look at the Merlin helicopter as an example. According to RAF presentations, it is a superb aircraft, and I do not doubt that it is in certain circumstances, but it is also very expensive. The six Danish aircraft cost the United Kingdom £29 million each; the RAF Mk 3 costs £19 million, and the Royal Navy Mk 1 costs a cool £39 million, and their running costs are £34,000 and £42,000 per hour respectively. Yet the Merlin cannot fly in Afghanistan without, according to a parliamentary answer, a £1.8 million upgrade to each aircraft to fit new blades—presumably Carson blades—because the aircraft cannot fly hot and high, which the Huey helicopter could do more than 40 years ago in the Vietnam era.

Following the fanfares extolling the excellence of the Pinzgauer, WMIK and Jackal vehicles, their safety has been promoted by quoting their respective speed, off-road performance and manoeuvrability, and yet we find that they are now being used for convoy patrols. When I have tabled questions to the MOD about this, the reply has always come back that that is due to the choice of commanders. I bet, however, that it is a case of Hobson's choice: that is the vehicle with which commanders have been provided, and they have no choice but to use it or walk.

Mr. Kevan Jones: The hon. Lady misunderstands the nature of the convoys that take place in Helmand province. They go over not tracked and tarmacked roads, but wadis, deserts and difficult terrain, which is the function that the vehicle is designed to carry out.

Ann Winterton: I am very grateful to the Minister. In fact, most of my information comes from the people who have performed all those tasks in Afghanistan. That is what I have been told by them, and sometimes I prefer to rely on what they say.

Commanders do not have a choice. *[Interruption.]* No, they do not have a choice in every circumstance. If the Minister wishes to intervene and say that commanders have a choice of vehicle on every single occasion, I shall be grateful to him.

Mr. Jones: The hon. Lady's point was that the vehicles were being used in convoys, and that that is not the purpose for which they were designed. I was in Afghanistan three weeks ago and saw convoys crossing deserts, wadis and other difficult terrain. It is simply not the case that these vehicles were not designed to perform that role in Afghanistan.

Ann Winterton: The Minister has completely ignored my request for reassurance about the choice available to commanders in the field. That is because he knows that they do not always have a choice—that, in fact, they rarely have a choice.

Mr. Jones: I am surprised by what the hon. Lady is saying, because I know that, like me, she is something of an armoured-vehicle anorak. She is aware of the range of vehicles currently in operation in Afghanistan that the Government provided—indeed, during our last debate she congratulated the Government on them. The ultimate decision on the ground, however, is for individual commanders. It would be wrong of any politician, including me, or of anyone else to start to direct what our commanders should do operationally and which equipment they should use. They have a range of equipment, which is there to be used.

Ann Winterton: The Minister has not been able to reassure me that commanders have a choice, because we know perfectly well that they do not. I have praised the Government in the past for their procurement of many

protected vehicles, but there are still so few Mastiffs and there will be so few Ridgbacks when they come into service that, in reality, as I have just said, there is no meaningful choice. It is time that Ministers came clean and admitted that the decision that there would, in effect, be no choice was made at the top. Providing a choice of suitable vehicles would undoubtedly interfere with the long-term strategy for future conventional warfare.

I am not convinced that a defence review is necessary. I believe that it would merely kick the whole subject into the long grass once again. We know what the problems are today. Incoming Governments—all Governments—are there to make decisions, and to justify them in the light of circumstances and the money that is available at the time. As we all know, however, the United Kingdom has committed its forces to counter-insurgency warfare of the most difficult and treacherous kind, and that should at present be its first priority. Surely, therefore, the UK has a moral obligation to provide the very best and most appropriate equipment to protect the lives of our fighting men and women. If it cannot or is unwilling to do so, it should withdraw from those engagements and never again commit the lives of our armed services to similar situations.

The United Kingdom used to be the very best at counter-insurgency operations. We used to excel, but to be successful in the future, as we undoubtedly were in the past, requires us to rededicate ourselves and provide the means to reinforce our will to win. We must make a decision soon about the type of future war to which we will commit our troops. In other words, we must decide in which direction we wish the Army and other services to go. Having made that decision, we must ensure that sufficient funding and equipment are available at the outset of any campaign. Finally, we must make the vital decision to remain an independent United Kingdom force, rather than become merely part of a European Union force, with all that that implies militarily and in relation to procurement. If we do not make those right decisions, the back of the British Army will be broken; and that is not a situation that I, for one, would find tolerable.

3.49 pm

Mr. David Kidney (Stafford) (Lab): I apologise most sincerely for missing the first two Front-Bench speeches, but a pressing constituency matter kept me from the Chamber longer than I had intended. I have already heard some excellent speeches in the debate.

Like other hon. Members, I was spitting mad when I saw the images of that despicable protest at Luton against soldiers taking part in a homecoming parade. Those soldiers had returned from places of danger, where they had put their lives on the line. They had probably seen or heard of friends and comrades who were killed most violently while they were there. Some soldiers return with horrendous injuries, including the loss of limbs. As soldiers, all those people endure those experiences on our behalf and for our nation, to uphold our democracy and our rights. Those rights include the right to protest and freedom of speech, which were abused on that day in Luton.

I will counter that with an entirely different account from Stafford. Some hon. Members may remember that when we debated the subject last year, I described the procession through Stafford in 2008, when the newly reformed 22 Signals Regiment and the long-serving RAF tactical supply wing in Stafford were both granted the freedom of the borough. There was a procession and parade in the town centre, and the streets were lined with members of the public, who cheered and warmly welcomed the troops who participated.

On 28 February 2009, the same 22 Signals Regiment was newly returned from six months' duty in Afghanistan. The town celebrated the regiment's safe homecoming with another parade through the centre of Stafford ending in the market square. I am pleased to report to the House that the crowds that lined the streets were even thicker and more voluble than last year in their support for the soldiers. Later in the day, I had the opportunity to talk to some of the soldiers and their families who had taken part in the parade. Many of the soldiers expressed how strongly they had been moved by the presence of so many members of the public welcoming them back to Stafford. One young man said that it was the most moving event of his life.

I will discuss further the welcome that the military receive in Stafford later in my speech. The other part of my speech last time concerned Operation Borona, which involves the return of thousands of soldiers to Britain from bases in Germany.

Mr. Brazier: I commend what the hon. Gentleman has just said, as I am sure that the whole House does. The downside of the growing concentration of our regular forces on a small number of so-called super-bases is that events such as he describes are gradually ending. Some of those super-bases are located in places such as Catterick, where there is no civilian population.

Mr. Kidney: I agree with the hon. Gentleman. It is never a good thing to put all the eggs in one basket.

On Operation Borona and troops coming home from Germany, the Government's emerging thinking about the so-called super-garrison, at least in the west midlands area, is not to try to shoehorn thousands of extra troops into one base, but to provide a range of places within a locality. In the west midlands, for example, the potential sites for those soldiers include MOD Stafford, Cosford and Shrewsbury. As will become clear a little later, the base in Stafford is not remote and is part of the town. One reason why soldiers have found the civilian population so welcoming is that soldiers and civilians live cheek by jowl in the town. Will the Minister say a little about the emerging thinking on venues in the west midlands for troops returning from Germany under Operation Borona and about the present thinking on Cosford, Shrewsbury and Stafford?

My hon. Friend the Member for Vale of Glamorgan (John Smith), who represents St. Athan, discussed the location there of much of the defence training college work on engineering and technical services. I understand that that includes moving training from Cosford to St. Athan and that, at one time, the thinking was that Cosford would therefore become available to provide some of the accommodation. I am unsure whether the plan has completely changed or whether the process of moving people from Cosford to St. Athan is taking longer than anticipated, but I understand that it is no longer possible to place troops coming home from Germany in Cosford as swiftly as was suggested just 12 months ago, in our last debate on this subject in the House. I therefore ask the Minister to say something about what that means for Stafford. At what pace might

[Mr. Kidney]

we expect more soldiers to return from Germany and be based at Stafford, rather than somewhere else?

Let me say a little about Stafford and its welcome for the military. There are now Gurkhas among the soldiers of 22 Signal Regiment who are with us. It has been a delight to see how the people of Stafford have taken to their hearts Gurkha soldiers and their children, who are now in our schools—some of them needing and receiving some support with English as an additional language—and how warm and welcoming the people of Stafford have been to Gurkhas' wives, who have joined us and want to work in our local community. Some of them have needed support with English as a second language, too, and it was a joy to me to hear the principal of Stafford college say that, whether or not he got funding, they were going to get that help for free at his college. That was a great contribution by that college to the warmth of the welcome to our armed forces and their families in Stafford. Many of the Gurkhas' wives have now been helped into work in the local community by Jobcentre Plus.

The new forces have been integrated into Stafford very well. As Members would expect, however, there is a growing challenge in accommodation. The accommodation provided for service personnel on the base is full, and there is a question about how we provide more accommodation, especially if more troops are coming to Stafford. Accommodation off the base is also an issue. Some soldiers and their families will want to buy homes locally, and people who want to stay in the area after they retire from the Stafford base will also want homes in Stafford. Clearly, whatever else happens in terms of population growth in the west midlands, we are going to need more homes for soldiers and their families in the Stafford area.

Now is a crucial time in Stafford. We are at the point when the local authority, Stafford borough council, is consulting on its local development framework, which includes where to put more houses. As all Members know, whenever there is talk of putting more houses anywhere, existing communities have great concerns about where those houses might go. That is an important message for the planners of Stafford to remember, but so too is the fact that there will have to be more homes because of the growth of the base at Stafford. Defence Estates must engage now with the planners at Stafford borough council. I am pleased to say that the news that comes to me suggests that that is happening, but it is important that they keep at it.

That is the main point I wanted to make in the debate, so I shall now finish where I started, by stressing the warmth of the welcome for the military in places such as Stafford. Later this year, we will have the first armed forces and veterans day. The month after that, there will be an open day at MOD Stafford. I am certain that the warmth we saw from the public towards our military in Stafford town centre on 28 February will be repeated on that day in June, and repeated again on that day in July, and long may that be so.

3.59 pm

Mr. Julian Brazier (Canterbury) (Con): May I start by paying tribute to the 5th Battalion The Royal Regiment of Scotland, better known as the Argylls, and the 3rd Battalion The Princess of Wales's Royal Regiment, a Territorial Army unit, both of which are based in my constituency? The Argylls returned from Afghanistan with one young man killed and their commanding officer severely wounded, but despite that he is still commanding the regiment while recovering from an extremely bad gunshot wound. There were other wounded among the ranks of the Argylls and the soldiers of the 3rd Battalion TPWRR, who went to serve with them. Canterbury is extremely proud of them.

Despite the title of this debate, it is inevitable that all speakers will be tempted to stray into operations outside the UK, but I wish to make a wider point. The shadow Secretary of State made the point that defence planning assumptions are never right, whoever is in charge; one can never gaze into a crystal ball. It is worth reflecting on what a large proportion of the operations we have been involved in over the past 100 years were wholly unexpected. Had we been sitting in a debate of this kind in 1914—it is interesting to read the record of House of Commons debates at the time—we would have found that all serious opinion, or very nearly all of it, was focused on the homeland. We would have been talking about defence in the UK, because the crisis in Ireland was so bad, with guns being run in huge numbers into the island by those on both sides of the argument. Those who talked about the possibility of a continental war were thought to be eccentric.

In 1982, nobody expected the Falklands war the week before the Argentines attacked the islands; in 1990, we had ruled out, only three months before the first Gulf war, the possibility of deploying armoured vehicles outside the NATO area; and, of course, today's operations were wholly unexpected on 10 September 2001. I could give other examples, but the fact is that, with the one important exception of the second world war, nearly all the large-scale operations in which we have been involved were unexpected a relatively short period beforehand.

That is why I say that although I listen with huge respect to all those who are rightly saying that we owe it to our forces to do the best possible job in supporting them on existing operations, it would be a disaster if we ever designed our armed forces entirely around existing operations. In his excellent speech, my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind) touched on a paradox that we face. We seem to be increasingly widely committed and there are so many threats out there—a number of colleagues have talked of threats outside this country, but there are some clear and distinct threats that particularly concern us today—that whoever is in government will face a huge mismatch between the resources that realistically will be made available and the potential demands on them. I make no apology for saying that the reserve forces play an extremely important role in other English-speaking countries in squaring that imbalance, and they could play a bigger role here.

Although my right hon. and learned Friend gave a brilliant summary of the problems in the reserve forces, I disagreed with him on one area. For the moment, however, I wish to pay tribute to the Government and to the Minister for the Armed Forces in particular. This small-scale but thoroughly worth while review, which was largely his brainchild and—perhaps I know more than I should do—was pushed through despite considerable opposition within substantial elements of the Ministry

of Defence, both uniformed and civilian, has shed some light on opportunities missed and on things that need tackling. I very much look forward to seeing it come before the House, and I welcome the comment that there would be an oral statement and that, courteously, the team would be brought to meet the all-party group so that we can have a full discussion on the detail.

I think that General Nick Cottam did an extremely good job, although I pulled his leg quite publicly on disappearing to St. Paul's just before the job was finished, in engaging with the reserve forces. He and his team got round and talked turkey with people making huge sacrifices on what was, after all, a secondary activity for them. None the less, that activity resulted in almost exactly one in every 1,000 on operations being killed in action, and we would do well to remember that; I believe that the tally is 17 at the moment—16 Terroritorials and one air reservist.

I will not repeat the statistics showing the large role that the reserve forces, despite their proportionately small size, have played in Iraq and Afghanistan, and earlier in the Balkans. Instead, I wish to focus on how an imaginative, forward-looking Government could make more use of reserve forces to square the resource circle. Reserve forces cannot solve the problem entirely, but they can contribute to the solution.

Compared with the other major models for all-volunteer forces—the US, Australia and Canada, but not France, where that model is new—we have a much smaller proportion of reserve forces. Broadly speaking, half the land forces in those countries are reservist—the figure is just over in the US, and just under for the other two—and their air and naval reserves are very large, whereas ours are very small as a proportion of the total.

I have four examples to give. First, 2 Signals Brigade exists to provide communications in the event of a nuclear strike or a major disruption, such as after a large-scale terrorist action. The brigade is not used for operations and sends relatively few people to operational theatres because it has a niche capability that we do not need for current operations. Hon. Members should consider how much less expensive 2 Signals Brigade is than keeping that capability within the regular forces.

Secondly, why—at a time when there is so little money and so much more that needs doing—do we retain air defence regiments in the regular Army? I know people will say that they can be used in a different role in operational theatres, but they have a niche capability and, while we should retain it within the British armed forces, the likelihood that it will need to be used in the near future is very low. In fact, I suggest that the possibility of a major terrorist strike that disrupts our communications is more likely than the need to fight an enemy with a superior air force in the near future. Have we thought about how we could release funds for other desperately needed priorities if that role were given to the reserve forces?

My third example is mine clearing. Traditionally, that was performed mainly by the Royal Naval Reserve, although of course some capability is needed in the regular Navy. It is an odd function, because most of the time, even on operations, it is not needed, but when it is needed we need a lot of it in a hurry. The two most obvious areas for our focus would be if the situation in the Gulf took an unexpected turn such as in a confrontation with Iran. I know from having worked in that region that there is an enormous area of very shallow water, where mine warfare could easily be conducted. The second is the waters around the UK, which is the subject of today's debate. Many of our ports have long, shallow approaches.

How is our mine warfare capability currently organised? Almost all of it is within the regular Royal Navy. Therefore, I would argue, we have the worst of all worlds. We have expensive mine-clearing vessels, which carry people with very important skills, many of which are widely available in the civilian world, including deep-sea diving, survey work and so on. Each vessel has one, very expensive regular crew. If some vessels instead had two or three reservist crews, they would be much cheaper—a reservist crew is roughly a fifth of the cost of a regular crew—and, crucially, we would have a surge capability. God knows, mines are easy to lay these days, and if there was a mining threat and we had to try to clear all our major ports at once—if a couple of mines had gone off, we would not know where the others were—we would be able to work the vessels round the clock, which cannot be done with a single crew, especially as some of the skills involved, such as diving, are very tiring. An individual can dive for only a few hours a day.

My fourth example concerns unmanned aerial vehicles. I have not had time to pursue this subject matter through parliamentary questions, but somewhere there is a bit of a story about cost overruns, with which I suspect the Minister is familiar. Very small numbers of UAVs play a significant role in Afghanistan. They are very expensive and, I am told, the exercise is turning into rather an expensive one to man. I suggest that that is an area where reservists would be ideal—the skills involved in operating a UAV are widely available outside: hand-eye co-ordination, understanding of IT systems and a range of other skills in which it would not be difficult to train reservists. There must also be opportunities, particularly if we need a surge capability, to think about how we can transfer that role, at least in part, to the reserve forces, as we proposed in our all-party group report.

I have given four specific examples; let me now give a general one. To my mind, it is quite astonishing that our air reserves are so tiny. The Americans have a third of all their fast jet fighter formed units and getting on for half of all their pilots in their volunteer reserve—that is, the air national guard and the US air reserve. In the Air Force, we have a total of 28 reserve pilots, nearly all of whom are Hercules pilots. That is all. A phenomenal investment goes into training a pilot, even before we think about fast jet pilots and if we consider only helicopter training. The cheque is torn up, in Britain, as soon as the man leaves the service. The Australians and, in particular, the Canadians have made slightly more use than we have of their flying reserves and the Americans have made vastly more use of them. There must be more scope for this.

The Territorial Army has a highly successful small helicopter regiment that will be disbanded in a few months' time, which seems extraordinary to me. The Navy has a very well developed air reserve, with more pilots than the Royal Auxiliary Air Force. Few people from the air reserve have been deployed in operations, although one or two have, but its members have played a significant role in substituting for regulars and saving a lot of money in the training pipeline.

[Mr. Julian Brazier]

Unbelievably, the Royal Naval Reserve officer who commands the air reserve, which has been consistently up to strength, has been downgraded by one rank. His regular staff officer is being taken away, and the next stage—which will mean that he will be unable to do his job—will be his replacement by a regular officer. The Royal Navy has, shamefully, already decided to replace the commander of the Maritime Reserves with a full-time regular officer who had never done a civilian job. It is no criticism of the individual concerned to say that that will not provide leadership to people who are giving up their free time or provide understanding to his regular brother officers in the RNR about what royal naval reservists can do.

The situation in the volunteer reserves at the moment is, in many areas, fairly dire. I agree with most of what my right hon. and learned Friend the Member for Kensington and Chelsea said. In a recent presentation to the all-party group, Air Vice-Marshal Paul Luker, who is an ex-regular and the chief executive of the Council of Reserve Forces and Cadets Associations, commented on an establishment of 42,000, although he said that the true figure is probably not much over 30,000. He said that officer recruitment was generally poor and that it was proving difficult to maintain the officer corps, which is at the absolute heart of a successful service. He also said that he was concerned that some aspects of recruiting were so focused on the next operational tour that it was losing sight of building the unit and nurturing the cadre of officers and NCOs needed to maintain its ethos and cohesion. He said that that was particularly true of the Royal Marine Reserve and the Auxiliary Air Force squadrons, which had been used even more heavily than the Territorial Army. I welcome the review, which I think will provide some modest steps in the right direction. We are all anxiously waiting for it.

I turn now to the One Army Recruiting process and its two single-service counterparts. Paul Luker said that the process was not really delivering. In the old days, the reserve forces and cadets associations ran recruiting, and he did not make a bid for that to be restored, but I firmly believe that, although centralised recruiting can lead to significant economies of scale in such matters as the purchasing of television time and so on, the remaining local element of recruiting should be given back to the RFCAs. They have the people—on their council, or in the media and local communities—who have the feel for local areas that regional brigades do not.

The local regional brigade commander in my constituency is excellent. Indeed, he is one of the best people to have held that post in all the time I have been the MP, but the occupant of that role is changed every two years. The result is that no one, however good he is, can have quite the same relationship with the community.

We need to address the issue of officer training, some of which can be done very cheaply and easily. In the Officer Training Corps, the University Royal Naval Units and the University Air Squadrons, we have a substantial resource that we do not tap sufficiently. Very little effort is made in the central planning undertaken by the Army and the other two services to make use of them for the volunteer reserve.

I was very proud to see my son, a medical student at King's, pass out of the first phase of the London OTC. It was a family occasion, because the commanding officer was his first cousin once removed—that is, my wife's first cousin. However, it is a measure of how much the Army has lost its way in respect of the OTC that my son has been told that choosing to sign up for a cadetship would mean that he would be required to leave the that splendid organisation. The reason is that he might be subject to an operational deployment, which would cost him a year in his planning.

The solution, as we said in our report, would be for the senior Army medical staff to get off their butts—if the House will forgive the expression—and sort the problem out with the royal colleges. That would be better than the present situation, which is that they just say, "Well, people serving in TA medical units can suffer from that, but we are not having our regular Army people, including cadets, suffer in that way."

I want to focus on the OTCs for a moment longer and try to explain what I mean. Coming through a typical OTC are large numbers of very keen young men and women, a few of whom will join the regular Army and some of whom might make good Territorials. However, whereas the arrangements in a university regiment in Australia or in a reserve officer training corps unit in America are closely tied into the training cycle—for the Army Reserve in Australia or the National Guard in America—that is not the case here.

For example, a person who has served with the OTC, completed a commissioning course from Sandhurst and wants to do a special-to-arm course cannot schedule it to fit into the same university vacation. Such a person cannot therefore get right through the system while at university, but the Americans and Australians have recognised that students are short of money but rich in time—exactly the opposite of what they will experience afterwards. With proper organisation, we could have an officer corps whose members were very well trained when they reached the end of their time at university.

Mr. Richard Bacon (South Norfolk) (Con): I apologise to my hon. Friend for not being here earlier, but I saw his name on the monitor and came in. I joined the Territorial Army when I was at university, for the adventure and experience that it would give me and because it meant that I could work on Sundays as well as Saturdays at a time when I needed the money. Had I had the opportunity to do much more training, I would have taken it.

Mr. Brazier: Yes, my hon. Friend is absolutely right. With very little expenditure, we could do a great deal to fix our officer training.

I have talked about recruitment. I end with what is at the heart of the problem of retention of officers and senior and junior NCOs in the Territorial Army. As a result of the reserves review, the word "offer" has come into the vocabulary. If we want people to give up their time and to face serious penalties in their civilian career, what are we offering? The answer has to be: worthwhile and interesting commands, opportunities to train with those commands, whether it is a corporal commanding a section or a major commanding a squadron or company and, in extremis, the opportunity to take those commands on active service on an operational tour. That is why the National Guard almost always deploys formed units.

There is terrific tension in the MOD between people who recognise that and those who see the TA simply as a feeder to pad out regular units. The Royal Marine Reserve, which has had some outstanding people, including Corporal Matt Croucher, who received the George cross, has chosen to go entirely down the latter route. That is why the RFCA identified the RMR as having serious trouble in retaining officer and NCO structures—its fabric is under threat. Ironically, some other units that one might think comparable, such as 21 and 23 SAS—I was privileged to serve with 21 SAS some years ago—and 131 Commando squadron, the sapper unit that supports the Royal Marines, have all gone down the route of sending formed sub-units commanded by volunteer reserve officers, and they have all done exceptionally well. One of 131 Squadron's more ambitious operations in the Gulf got on to the front page of *The Times*. I cannot give more detail but the special forces regiments have taken decorations, as the Minister knows.

The future for the reserve forces lies in formed sub-unit deployments, although they can also provide limited padding for regular units. That brings me to my last point, which is the only one where I disagree with my right hon. and learned Friend the Member for Kensington and Chelsea. He said that the reserve forces provided only surge capability, but that they were very good at it. I would go a little further. The reserve forces are willing to go on being used in continuing operations if they are used in the right way—provided they have the resources and, crucially, provided they have the support in the local community that is present in America but is, I fear, pretty indifferent in Britain. Reserve forces are there to support the regular forces, but to do that job they need resources, training, an officer corps and the support of the country. I look forward to the Government's reserves review.

4.23 pm

Robert Key (Salisbury) (Con): It is a particular pleasure to follow my hon. Friend the Member for Canterbury (Mr. Brazier), not just because he and I both have the privilege of representing very fine cathedral cities, but because he has unrivalled expertise in and practical knowledge of our reserve forces. It was also a pleasure to listen to the hon. Member for Stafford (Mr. Kidney), because over many years the Staffordshire Regiment was part of the backbone of the infantry, just as in its day, once upon a time, the Wiltshire Regiment was too—it is now part of the Rifles.

I shall concentrate more on the civilian side of defence in the UK. We face a paradox. When I was a child growing up in Salisbury in the 1950s, a substantial proportion—perhaps 20 per cent.—of the people on the streets, particularly at weekends, would have been in uniform. In a garrison town, surrounded by garrison towns on Salisbury plain, I recognised the importance of the military and may even have taken it for granted. Now, Her Majesty's forces have as much popularity, status and respect as at any time since the 1950s, when of course they were regarded as the saviours of our country, which indeed they were. Now, they again enjoy great status.

Perhaps the Royal Navy, as the senior service, does not enjoy as much status as the other forces, simply because people in the Navy are more restricted to their home bases. However, if one visits Estonia, as I did earlier in March, one finds that the Royal Navy is held in the highest regard there. Its visits, such as the visit of HMS Illustrious to Tallinn later this year, are anticipated enormously by the whole population, not least because the Royal Navy helped the Estonians in their independence war in 1919. The Royal Navy should have more status. People do not recognise the purple role that it plays now, or how prominent it is in running our operation in Afghanistan. It may have fewer ships than it did but, my goodness, it is proving its expertise, not just at sea but in military theatres generally.

I want to mention rehabilitation for Her Majesty's forces at places such as Headley Court near Leatherhead. The need for a special swimming pool there led to the remarkable establishment of Help for Heroes by my constituents, Bryn and Emma Parry. It has caught the imagination of the nation. It started with a swimming pool and it has grown and grown. The attention that we are at last beginning to give to stress disorders and mental disorders among serving and former members of Her Majesty's forces has led to new support for Combat Stress, for example. The Army Benevolent Fund has never been busier, along with the Army Families Federation and its sister organisations for the Royal Navy and the Royal Air Force.

Of course, the respect shown in local communities as coffins are borne from RAF Lyneham in Wiltshire—my hon. Friend the Member for North Wiltshire (Mr. Gray) will know a great deal about that—is reflected throughout the country in the welcome home parades for soldiers returning from active service held in many of our towns and cities. Only last week—indeed, the process finished this week—we reformed legislation governing the way in which Her Majesty's coroners carry out their duties with regard to military inquests. We can at last say that we are doing the decent thing by military families.

On 27 June, we will celebrate armed forces day. Flags will fly throughout the country for the whole of that week, and we will show our appreciation. Yet when the pollsters and focus groups report their figures, that support is not translated into political priorities, so political parties do not respond by giving defence a higher spending priority. For example, the Ipsos MORI poll of October 2008—the latest one that I have been able to find—found that over four fifths, or 81 per cent., of British adults say that they are favourable towards UK armed forces. That is the highest figure that MORI has recorded since that tracking study began in 2003. Only a tiny minority—3 per cent.—are unfavourable. Some 52 per cent. support the UK armed forces' presence in Afghanistan, while just over a third—35 per cent.—oppose it. Some 43 per cent. support the UK armed forces' presence in Iraq, and 45 per cent. do not. Levels of support for both those operations are higher than they were last year.

It is interesting that a distinct divide appears to have emerged between civil society and the military. There is much greater casualty sensitivity in the west than there was. There has been a growing polarisation of religious belief across the world. There is growing concern for universal human rights across the world, and prosperity has emerged as the overriding socio-political value when considering defence, rather than territorial gain, or Russian tanks rolling across the north European plain.

[Robert Key]

Although the public's attitude to war is less positive than it was, public support for the armed forces has generally remained consistently high. As Peter Riddell commented in the *Royal United Services Institute Journal* in February last year,

"Insofar as there is a gulf"

between the military and the public,

"it is of ignorance, not sympathy or support."

So it is an extraordinary paradox that defence of the realm is way down the list when it comes to why people vote for a particular party. I hope that that is not a reflection of the fact that most of the time in the House of Commons, defence is regarded as a bipartisan issue. It certainly is on the Defence Committee. That is an extraordinary situation.

The present position, which we all recognise, of overstretch and underfunding, as regards both people and procurement, means that we have to take a long view of how we got to where we are, and where our nation and our military are going in future. Our history and heritage teach us, and economic necessity demands, that we sustain and pay for our armed services to be trained and equipped for high-intensity warfare with global reach, complemented by a strong diplomatic service—a comprehensive approach, as we are learning to call it. Both should be underpinned by increasingly sophisticated security services and intelligence networks.

The British have taken their language, ideas, trade and armies around the globe for many hundreds of years, but gone are the days of empire. The legacy is there, but we are not stopping and withdrawing to our island. The reason is straightforward: British forces are needed to protect UK global interests in trade and shipping. More than 90 per cent. of our imports come in by sea, and those trade routes and vessels must be secure against foreign state intervention, as well as terrorism and piracy. That is why our forces must have global reach, and that is why they need aircraft carriers. They must have power projection by land, sea and air, and that must include amphibious capability and unmanned maritime systems, increasing use of unmanned combat air systems and space-based remote sensors.

Mr. Brazier: My hon. Friend is making a powerful point. Does he agree that all those goods by definition end up in British ports, so we must have the capability to keep those ports clear of mines?

Robert Key: Yes, of course. I was extremely interested in that part of my hon. Friend's speech in which he talked about the importance of clearing and detecting mines around our shores. That issue deserves far more attention and research, and we must undertake, too, practical detection and destruction of those mines. Doubtless, we shall return to the matter.

There are new aspects to defence that we did not think about very much before the last decade. We have to think afresh, as we and other European nations need to define our defence in new terms. Obviously, homeland security and territorial defence are vital, but increasingly we have to think in defence terms about energy infrastructure protection, from gas and oil pipelines to wind farms and nuclear power stations. While the politics of energy may dominate in our part of north-west Europe, there are other parts of Europe where the politics of water and food is increasingly important. As the climate change crisis climbs the political agenda, carbon emissions will threaten peace and stability. Poverty and economic migration already cause great friction between states—the day of state-on-state war is not necessarily over.

I should like to turn to some of the extraordinary things going on in the UK against all the odds to improve the equipment used by our armed forces. I should like to begin in my own constituency at Boscombe Down airfield, which I visited only last Friday, where I saw for myself the extraordinary work of the dedicated and experienced work force that is under way to convert the eight Chinooks, for which we have been waiting for so long. The Sea Kings are being fitted with Carson blades, which will allow them to be used in Afghanistan and elsewhere, and the Nimrods are being worked on.

Mr. Gerald Howarth (Aldershot) (Con): My hon. Friend referred to the eight Chinooks that are being modified in his constituency. There is a rumour going round that perhaps only one of them will be available for deployment by the end of the year, but it will not have full operational capability. It will be put into theatre merely to prove that it can be done. From his knowledge, is my hon. Friend in a position to comment on that, or should I ask the Minister?

Robert Key: I fear that I am not in a position to be able to answer that. If I could change places with the Minister after the general election, doubtless I would find many Chinooks flying operationally.

I saw, however, that real progress has been made on that programme, and there is a huge determination on the part of the work force at Boscombe Down to ensure the highest standards of workmanship. People do not realise the complexity of those helicopters. Stripping down and replacing the wiring means replacing 20,000 wires per helicopter. It is an extraordinary undertaking.

I mentioned the Nimrods. Then there are the unmanned aerial vehicles, which will increasingly be seen in the skies over south Wiltshire as we introduce the training regime led by the Royal Artillery in order to deploy UAVs operationally and in infantry tactics.

The science and technology apprenticeship schemes at Boscombe Down are a splendid innovation. When I was first elected to the House, every year I had to present the prizes to the apprentices at Boscombe Down—RAF Boscombe Down, as it was then called. There would be 50 or 60 apprentices a year. Then there were years with none. Now, I am glad to say, they are coming back. There will be more than 20 apprentices this year. That is a great compliment to QinetiQ and to the work force at Boscombe Down.

Only an hour or so ago there was an announcement from an important defence procurement manufacturer in my constituency. Chemring Countermeasures has announced that there is to be a new £18.5 million investment in two new flare decoy manufacturing facilities. Every time any of us travel on a military helicopter, particularly if it is in theatre, we are used to the noise of the flares going off and of the chaff going out behind the helicopter, or any other kind of aeroplane. They have to be made somewhere. They happen to be made at High Post outside Salisbury.

That company has an ancient and interesting history. The sadness is that there will be a loss of jobs over the

nest year or two because higher safety requirements mean that fewer people and more machinery have to be used. It is safer, better and even more reliable, but the downside concerns the people. I am glad to say that the company is working hard to ensure that the skills of those people can continue to be usefully deployed—locally, I hope. There is great family loyalty in the defence industry. In that factory I know, because I have met them, that three generations of several families are still working there.

The story of Chemring Countermeasures goes back a very long time and is typical of defence procurement companies all over the country. It started back in 1941 with Chemring developing processes for metalising fabrics, which sounds an unlikely link, but it went back longer than that. In 1933 the Wessex Aircraft Engineering Company was set up. It was taken over by Bryant and May. Eventually that became Schermuly, which in turn became the British Match Corporation, incorporated with Wilkinson Sword. It is an extraordinary story of the interlinking of defence industries within the manufacturing base of our country.

Eventually the business all came together in 1997 as Chemring Ltd. On this important day for that company in my constituency, I pay tribute to the company and to the work force who have made it so important a part of the everyday life of our servicemen and women at the sharp end, not just on land, but in the air and at sea, because that remarkable company provides countermeasures and flares for all three services, and sells substantially to our NATO allies as well.

I finish by making another point about defence spending in this country. Sometimes senior figures in the shadow Cabinet groan when they see me coming because they know that I will say we should double defence spending. I know that that wish is unlikely to come to fruition in current economic circumstances. We all have to be hard-nosed about that, but we should seriously consider why we have the lowest defence spending as a proportion of our gross national product since the 1930s.

It would have an electrifying effect on the country's economy and much else for which this nation stands if we were to rebuild confidence in our nationhood, as well as in our defence industries and the armed forces, by increasing substantially the defence budget. This, I believe, would not be resisted by the electorate because of the paradox with which I started. We know that Her Majesty's forces have never been held in higher regard except during the second world war and the years immediately afterwards. Why can we not match that former regard, and remind people that their quality of life, standard of living and ability to buy white goods in the sheds on the edges of our towns and cities depend on the defence budget and the dedication of all three forces? We should start arguing from that point of view. Defence is very much in our national interest in respect of consumer spending, energy, water supply and climate change, because it changes all our economic and political perceptions. If we harness that fund of support for Her Majesty's forces, we will do the nation a service, and—above all—say to those forces, "Well done and thank you."

4.40 pm

Mr. Robert Walter (North Dorset) (Con): Like my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot) and others, I was a little perplexed by "Defence in the UK", the title of today's debate. I have a major military establishment in my constituency; I referred to it in my interventions, particularly on the hon. Member for Vale of Glamorgan (John Smith), whose constituency will get my defence college when it eventually moves. There is also a major defence contractor in my constituency.

The Minister probably struck the right focus in explaining the title as a reference to a consideration of the relationship between the armed forces and the people of this country. As my hon. Friend the Member for Salisbury (Robert Key) has just said, according to the opinion polls, our electorates focus on the economy, health and education. In our debates, we therefore have a responsibility to rehearse the issues and emphasise the importance of the defence and security of this country. My remarks will focus particularly on our alliances, which are essential for the projection of our foreign policy. We should consider our alliance with the United States and the relationship between Europe and the United States; that may change and develop under the new US Administration. I particularly want to focus on the relationship between the EU and NATO.

In a week or so, we will celebrate 60 years of NATO, and this month we also celebrate NATO's major expansion of 10 years ago, when the Czech Republic, Poland, Hungary and the Baltic states joined the organisation. It is important to reflect on that. I want to mention the European security and defence policy, or ESDP, because its most ardent supporters and fiercest critics possibly misunderstand it. It is not collective European defence, or "défense Europe" as the French would call it, and it never could be.

Sixty-one years ago, on 17 March 1948, the Brussels treaty was signed, laying the foundations for a European defence process. The treaty was modified in 1954 and the Western European Union came into being. The key provision of that modified Brussels treaty is its collective defence clause. In parallel, the North Atlantic Treaty Organisation, the other collective security organisation, was also coming into being; it was established on 4 April 1949. It, too, makes provision for a collective response to an attack on individual members. However, in contrast to the modified Brussels treaty, it involves our transatlantic partners.

Over the past 60 years, the collective defence clause in article 5 of the NATO treaty has been invoked only once—following the 11 September terrorist attacks in the United States— and it can be argued with some justification that the fact that it was invoked only once was a result of the west's successful deterrence policy over the cold war period. The main focus of development in recent years, in Europe and in NATO, has been crisis management activities. As we approach the 60th anniversary of the alliance, the question we should ask ourselves is: "Where is all this leading?" Will NATO and the European Union, through its ESDP, be able to meet the challenges of the 21st century?

After the end of the cold war, the organisation of security and defence in Europe started to evolve, with NATO and the EU both embarking on an enlargement process. Since the NATO alliance was created in 1949, its membership has grown through five rounds of enlargement from 12 founding members to today's 26 members, and NATO's door remains open to any European country in a position to subscribe to the commitments and obligations of membership and to

[Mr. Robert Walter]

contribute to security in the Euro-Atlantic area. In parallel, the European Community, subsequently the European Union, has grown from six founding member states in 1951 to today's 27 EU member states, following six rounds of enlargement, and is also open to other European countries willing and able to join.

Let us look at the added value in the defence and security arena of NATO and the European Union's ESDP. What is the added value of NATO? Its strong, integrated chain of command gives it the ability to conduct difficult combat missions. This multinational military structure is unique in the world. Neither the United Nations nor the EU has anything on such a scale. In contrast, the trademark of the ESDP is the EU's ability to deploy a wide range of instruments for monitoring, policing, peacekeeping and rule-of-law missions, including relatively high-risk military operations such as the one in Chad, which concluded a couple of weeks ago, and the anti-piracy mission off the coast of Somalia. The EU can also apply economic, political and diplomatic pressure.

Like many other members of the European Security and Defence Assembly—formerly the Assembly of the Western European Union—I have worked hard over the years to ensure that the ESDP has developed in such a way as to complement NATO rather than compete with it. That makes sense in practical as well as political terms given that 21 EU countries are also members of NATO, and their troops can be used for EU-led or NATO operations, depending on requirements. The WEU, which in the past played a major role in establishing Europe's defence capability, drew up the Petersberg tasks in 1992. They covered a wide spectrum of activities, including humanitarian rescue, peacekeeping and crisis management missions, and were incorporated into the common foreign and security policy under the 1997 treaty of Amsterdam. In parallel, at the 1996 NATO summit in Berlin, the idea of creating a European security and defence identity in NATO emerged. A key development since then has been the Berlin-plus arrangements, which gave first the WEU and later the EU the possibility of drawing on NATO assets for military missions sponsored by them.

All this is good, and much progress has been made, but perhaps the time has come for our Governments to agree to go a little further than the Berlin-plus arrangements and overcome the current political obstacles that are preventing NATO-ESDP co-operation from moving on to the next phase, which is so crucial if we are to meet all our global obligations and enhance the security of our peoples. The announcement by President Sarkozy of full French reintegration into NATO is an important step. It should also be taken as a sign that France recognises that defence in Europe is not a choice between the EU and NATO but complementary. As I said, the ESDP is not "défense Europe" or collective European defence. Nothing in the EU meets the provisions of article 5—not even the Lisbon treaty, if it is finally ratified. It does not, and cannot, provide the kind of collective defence commitment that membership of NATO implies.

Collective territorial and strategic defence in Europe could and should be the role of the 21 EU-NATO members and their three non-EU neighbours, Norway, Turkey and Iceland. A strong commitment by the European NATO members is wanted and needed by the alliance—a commitment not just to deployment but to spending and capacity building—and that would be welcomed by the United States. EU-NATO relations need reviewing, and such a review would be useful on the strategic and institutional level as well as on the operational one. Both organisations run operations in a number of places: in Kosovo in the western Balkans, in Afghanistan and in Africa. But can we honestly say that they are deployed "together"? Is it not the case that they are being deployed alongside each other? Perhaps I might give a few examples that illustrate why the relationship between the EU and NATO is far from perfect.

An EU naval force is currently involved in the anti-piracy Operation Atalanta, off the coast of Somalia Together with a number of colleagues, I recently visited the headquarters of that naval anti-piracy operation at Northwood. Securing our trade routes is important to all of us; 90 per cent. of global trade is carried out with merchant ships. The sea off the coast of Somalia has been the scene of an alarming number of pirate attacks recently, with the result that some merchant lines have changed their routes. Those attacks have reduced considerably since the launch of the Atalanta mission, which obviously has a deterrent effect on potential pirates.

Operation Atalanta is run by the EU in the framework of the ESDP. The 10 or so participating nations are all members of NATO. Norway, another NATO member, has just announced that it will contribute a vessel to the operation, and others may join soon. Five nations—France, Germany, Greece, Spain and the United Kingdom—are responsible for ensuring a permanent operational capability. However, these nations are not using NATO communications and intelligence systems. Instead, some ships have had to install a new, civilian system for satellite communications. I am told that when the navies of NATO member states go on joint exercises, they are normally quite happy to use the NATO communication system. We must look into why a special arrangement was necessary in this case. Why does Berlin-plus not extend to such operations?

Another example is at the political level, in joint meetings of EU and NATO ambassadors. This example concerns the regular meetings that are held between the EU Political and Security Committee and the North Atlantic Council, which bring together the permanent ambassadors of both organisations' member states in Brussels. There was one such meeting on Monday of this week. The 21 EU member states that are also members of NATO are represented twice—by their NATO ambassador and by their PSC representative. Both are usually supported by different administrative structures and both may receive instructions from different hierarchical levels in their respective capitals. These parallel structures do not necessarily share a common culture. Moreover, the NATO ambassador is generally the more senior and higher-ranking of the two, which means that in practice only one of them speaks.

These joint meetings are described by those attending them as sometimes rather sterile. They leave participants with a certain degree of frustration because of the particularities of the EU-NATO relationship, which is based on the so-called Berlin-plus agreements. The agreements consist of a number of unpublished documents

that have never been subject to parliamentary scrutiny or ratification. The limits of Berlin-plus in practice confine EU-NATO dialogue to the Berlin-plus Operation Althea in Bosnia and Herzegovina and a joint EU-NATO working group on capabilities, and prevent NATO and the EU from jointly discussing pressing issues such as terrorism, Afghanistan or the middle east. The underlying problem is the unresolved dispute between Turkey and Cyprus. Turkey is a substantial contributor to ESDP missions and has vital interests in connection with its ongoing candidacy for EU accession. However, as soon as the suggestion arises of discussing issues that are not part of the limited agenda of the current military co-operation between the EU and NATO under Berlin-plus, Cyprus is not allowed around the table because it is not part of the partnership for peace programme and does not have security clearance for access to NATO classified documents. Conversely, the EU refuses to deal with anything other than Berlin-plus matters unless all 27 member states are present.

Robert Key: Will my hon. Friend share his perspective on the problem that Macedonia's name holds for the Greeks, who hold the right to block any progress for that new democracy because of the disputed name?

Mr. Walter: I thank my hon. Friend for that intervention and share his frustration about the Greek veto over Macedonia's participation in NATO. If we can, we ought to knock some heads together. I remember being in Skopje not long ago with a former Greek Defence Minister, who as we walked into the meeting said that he could not give a stuff what they called their country, but as soon as we were in the meeting steadfastly defended the Greek line on the name. We have to move on, because such ridiculous problems—although the Turkey-Cyprus problem is not ridiculous to a Cypriot—are blocking the co-operation that is essential if we are to move forward. I understand where the political rationale for Turkey vis-à-vis the EU lies, but we all need to look at the bigger picture.

The bigger picture is where my third and last illustration of the current difficulties in EU-NATO relations comes from. It is Afghanistan, where the EU is not a very big player. However, there is a police mission run within the ESDP framework, and both the European Commission and EU member states spend large amounts of money in that country. EUPOL Afghanistan, the EU police mission, is suffering from the difficulties that participating EU member states have in finding police officers who are willing to work in such a challenging environment. The security of the police is obviously crucial to the success of the operation. However, due to the difficulties that I have just mentioned, the EU is not able to obtain a global security arrangement with NATO in Afghanistan, so it was necessary to negotiate individual security provisions with every provincial reconstruction team on the ground. What is more, intelligence sharing is made more complicated by the absence of a relevant EU-NATO agreement.

Those examples show clearly that we need to find a way to improve the relationship between the two organisations. Beyond those examples, which could be regarded as anecdotes, there are deeper reasons for the current difficulties. First, I believe that, for a long time, the United States Government and many in this country have looked at the EU and the development of ESDP with a certain degree of suspicion. There has been a fear of duplication and the feeling that emancipation could lead to separation. None of that is true. ESDP is a process of consolidating, improving and extending member states' capabilities. It has created a new potential actor, ready to stand in when NATO cannot or does not want to get involved. Now is the time to draw the two actors and their member states closer together.

There is, of course, an opposite view. Some believe that closer relations between the EU and NATO would result in too much influence for the USA. I hope that if such fears have ever been justified, they are less urgent with the election of the new President. The announcement made by President Sarkozy that he will take France back into NATO's integrated military structure is a clear signal of new thinking on that issue. There is a new window of opportunity. The new Administration in Washington are interested in good relations with Europeans and recognise the added value of effective multilateral institutions. That should not only help to improve relations between the EU and NATO, but provide us with a vision to help shape the role of both organisations in our security in the 21st century.

I shall take as an example the situation of countries to the east of the EU and NATO border. NATO enlargement might not always be the best answer to their concerns and ours, but if it is not the right thing for those countries, what else can we propose, and what can the EU in particular offer them? Could the nascent EU eastern partnership initiative be developed into a transatlantic one?

It is probably too early for President Obama and his new team to come up with any far-reaching proposals in early April at the NATO anniversary summit or at the EU-US summit the following day. But the different tone and style of the new American President could lay the basis of a positive review. One year from now, there could be a real breakthrough. We need the EU-NATO relationship to be clarified sooner rather than later, not least because we need our own minds made up before we face others who challenge the existing security architecture. I refer to the Russian President, Mr. Medvedev, his recent remarks about the weakness of the European security system and his proposal for a new European security treaty. In that regard at least, we know what we do not want—the unravelling of the Helsinki principles.

I conclude with two thoughts. First, we need to review not only the EU-NATO relationship but the EU-US relationship, and focus those relations more on security issues. We in Europe need to ask ourselves: do we want to be an attractive partner to the United States both inside and outside NATO? Do we want to contribute to the resolution of the huge challenges ahead of us? The Spanish Government, who take over the EU presidency in 2010, are considering the issue with a view to relaunching an EU-US initiative. In Madrid, in 1995, they launched a new transatlantic agenda, and this would be a new, new transatlantic agenda.

Given the limited capabilities and our scarce financial resources, which will not only not grow but come under immense pressure once the current financial crisis has had its full impact on our real economy, we need to be innovative and imaginative in finding ways of co-operation and co-ordination. We need to be able to make the best use of the capabilities of both organisations and their

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respective member states. The military and civil dimensions of security go hand in hand and, institutionally, our response to conflict and crisis needs to reflect that.

Secondly, as I said at the start, electorates tend to put schools, hospitals and health care before spending on helicopters, guns and missiles. However, we need to realise that we live in dangerous times and a harsh world, and if we want to make a difference and guarantee the security of our citizens, such investment is inevitable. We must also explain to our people that military operations, such as the one in Afghanistan, are not about remote conflicts, but directly concern security at home.

At the NATO summit in Strasbourg and Kehl on 3 and 4 April, I hope that work will be launched on a new strategic concept for the alliance. It is time to move on and adapt NATO's strategy to future challenges. It is important to ensure a real democratic debate on transatlantic and European security challenges, and to promote bold ideas to enable NATO and the EU to meet those challenges.

5.3 pm

Mr. James Gray (North Wiltshire) (Con): It is a pleasure to follow my hon. Friend the Member for North Dorset (Mr. Walter), whose expertise on matters European is second to none. I had the pleasure of serving alongside him, sadly only for a year, on both the Western European Union and the Council of Europe. Through my own ignorance, I never quite discovered what either organisation was for, what their purpose was, or whether they have one—to this day, no one has explained what it is. None the less, I am sure that they do fulfil an awfully useful purpose, and I congratulate him on the many hours that he spends seeking to discover it.

My hon. Friend and I will not agree, I fear, on the importance of ESDP. My view is that the European Union is a first-class trading organisation among independent nation states, and the notion that it could have anything called ESDP is nonsensical. Why on earth the EU is busily engaging in a very good operation in Somalia defeats me. What on earth it is doing there I cannot imagine. Nor do I know why it is doing policing in Kabul. Those things can be done either by NATO or independent nation states, and I fear that I have a deep cynicism about whether European co-operation of the kind that my hon. Friend describes has much future. I readily say, however, that that is simply because of my bog-standard little Englander ignorance, and I am sure that I can be educated in such matters as time goes on.

Secondly, I agree with my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot), the Chairman of the Defence Committee, who is temporarily not in his place, about the structure of these debates. I am glad that today's debate has not been a topical debate, unlike, I believe, the last event of this kind. None the less, I feel that the present structure of our defence debates is rather false, and does not quite work. Those of us who are defence anoraks turn up on a Thursday afternoon, drone on for a quarter of an hour, and then go home. No one listens to a word we say, and the sum total of human happiness is not necessarily advanced. That should not be happening at a time when the nation and the globe are involved in such potentially catastrophic and vastly important defence matters. The entire House of Commons should be eagerly involved, and competing like mad to secure a five-minute slot. I hope the powers that be—the Government, the Leader of the House, or others—will think about whether we could restructure our defence debates, at least while the current turmoil around the globe continues, and find a way of attracting greater interest in them.

As always, however, this has been a successful, well-informed and wide-ranging debate. I shall not seek to add to what my many better-qualified colleagues have said about assorted defence matters. Instead, if the House will forgive me, I shall focus on a topic which may sound like a constituency issue more suited to an Adjournment debate, but which I would argue has a much wider significance for the defence of the realm than for my own constituency.

We know that, in Afghanistan and elsewhere, one of the biggest failings one way or another—although the exact way in which it has failed is debatable—has involved helicopters. There are those who would say that we have not got enough of them, there are those who would say that we have not got enough pilot hours, and there are those who would say that both are the case. There are others who would say that although we could always do with more, we have enough to manage with. That, broadly speaking, is the Government's line. I think everyone would agree, however, that the way in which our joint helicopter force—Army, Navy and Air Force helicopters—are currently managed is not ideal. The helicopters are based in a variety of places around Britain, and there is very little coherence. Joint Helicopter Command, which I believe was created only a year or two ago, experiences some difficulty in acting as a coherent "purple" organisation.

There has been a strong demand from Joint Helicopter Command, and from the three services, for a move towards the establishment of a single unified base for, in particular, RAF and Army helicopters. That strikes me as an immensely laudable and hugely sensible ambition with a great deal to be said for it, and I think that just about everyone in the defence world agrees that it should be realised. One senior officer involved with helicopters said to me the other day, referring to Project Belvedere—which is what we are talking about—"They cannot afford to do it, but they also cannot afford not to do it." I think that there is a good deal of truth in that, and I shall return to it in a moment.

There is a reason for my interest in Project Belvedere. The House will recall that some eight or nine years ago it was announced that the C130K fleet of Hercules aircraft based at RAF Lyneham, in my constituency, would reach the end of their useful life in 2012—or would progressively approach the end of their useful life in the years leading up to 2012—and that, at that stage, the C130J fleet of modern planes would be transferred to RAF Brize Norton, just down the road. All the RAF's transport capabilities for passengers, freight and tankers would be based there.

Many of us argued strongly against that decision, which was advanced for two main reasons. First, it was claimed that combining the two bases would produce a cost saving. That may be the case, although a substantial capital cost will be involved in the move, and only accountants will be able to tell us how long it will take for the modest year-by-year saving to pay that off.

I was talking to one of the base commanders—I will not say who it was—who would be involved in Project Belvedere and in the transfer of his helicopters to RAF Lyneham if that were to happen. He maintained that the cost would be so large that it would take 50 years to repay it. I said, "That is a very interesting argument. If that applies to your helicopters being moved from base X"—which I will not name—"to Lyneham, how much longer would it take to repay the vast amount that it will cost to move our Hercules fleet from Lyneham to Brize Norton?" He said, "Well, it is certainly 50 or 100 years, and it is possibly never." I said, "I will not name you, but I will quote you," which I have happily done.

The accountants are going to have to answer much more clearly on how they can add the thing together to make a sum that justifies shifting 3,500 RAF people and up to 50 planes from RAF Lyneham to RAF Brize Norton, which is already too small. Anyone who has had the misfortune to travel courtesy of crab air to Afghanistan or Iraq, which I have done two or three times recently, will know that RAF Brize Norton is already one of the least hospitable bases and that it is demonstrably too small for the job that it does at the moment. If about 50 Hercules, A400Ms—if they arrive—or C-17s were also operating out of the base, goodness knows what it would be like.

At the moment, three tactical runways, two of which are at RAF Lyneham and one of which is at Brize Norton, are used for transport. If we were to bring everything together in one place at Brize Norton, all our eggs would be in one basket—there would be only one runway, and there are many reasons why it might be inoperable. I was there the other day waiting to fly out to Afghanistan. I was delayed for 12 hours because of ice on the runway. If all our transport capability—refuelling, transport and passenger planes—were in Brize Norton, who knows what the end result would be? The first argument in favour of collocating everything at Brize Norton, namely cost, is questionable, and perhaps the accountants will have a second look.

The second argument for collocation at Brize Norton advanced at the time was that the A400M was coming in by 2012, that it would be the greatest thing since sliced bread, that it was a European co-operative project and that it would be a superb aeroplane. We all know that the project has been delayed—the latest I have heard is that it will be delayed by up to four years, although no doubt the delay will be longer than that. The Secretary of State has made it plain in a couple of interventions from the Dispatch Box that he is by no means confident that the A400M will be bought by the British forces, at least to the extent that we said we would buy it.

The whole future of transport is questionable. Most people in the RAF would prefer to see a fleet consisting of Hercules and C-17s, which is the ideal combination of sizes. From memory, we already have six C-17s—perhaps the figure is eight—and we can certainly buy or lease more. Hercules and C-17s seems like a nice combination to me. That combination operates nicely out of RAF Lyneham, and there is no reason why it would have to be based at Brize Norton. At the time, the argument was that the runways at RAF Lyneham are too short for the A400M to take off or land. That is demonstrably not the case, and that excuse was used to achieve other things.

I would prefer to see RAF Lyneham remain the same as it is at the moment. I hope that the delays with the A400M and/or the delays in rebuilding RAF Brize Norton will lead to that outcome. I hope that that door is not entirely closed. Without being party political about it, if there is a Conservative Government at some stage in the future—of course, there might not be—perhaps Conservative Front Benchers will consider reversing that decision. There may well be good economic reasons why it is impossible, but I hope that they do. In a recent informal conversation with one of my Front-Bench colleagues, I was encouraged to hear him say that Conservative policy is not to close RAF bases. We have to keep RAF bases open—in 1942, we discovered that we did not have enough. That was an informal remark, and I may be corrected by other Front Benchers, but I will seek to persuade them to keep RAF Lyneham as it is.

Let us assume that for good reasons advanced by accountants or others, it is not possible to keep RAF Lyneham as it is. At the moment, 3,500 service personnel and 750 civilians work on the base. If one brings those people's other halves into the calculation, some 10,000 people in my constituency owe their livelihood one way or another to RAF Lyneham, and there are also retired service personnel. It is, therefore, a major part of my little constituency, and plays a very significant part in its economy, so the future of RAF Lyneham is of gigantic importance to me as a constituency MP.

I hope and think that I speak for the vast bulk of my constituents in saying that we would very much like Lyneham to remain military. We do not think it is right to convert it to any other use. We do not want a new town—an extension of Swindon, perhaps—or a refuelling base for Virgin Atlantic; that is a proposal I have heard, but it would certainly not be appropriate. We do not want it to become a gigantic industrial site either. We would very much like it to remain military. Wiltshire is home to the military, and the military are home for us in a very real way. We are very proud of our contribution to the military; half of the British Army is in Wiltshire. We want Lyneham to remain military—either RAF or, potentially, Army.

Therefore, if we can find a way of making Project Belvedere work and of bringing all the helicopters from all the different commands together—leaving aside the Royal Navy, which will stay in Yeovilton, I think—under Joint Helicopter Command at RAF Lyneham, that would be an eminently sensible solution. That would involve 15,000 people and 230 helicopters, so there would be quite a significant environmental price to pay—although I am encouraged to hear my right hon. Friend the Member for North-East Hampshire telling me that in all his time he has only had one or two complaints about noise from Chinooks. Nevertheless, I am aware that if we were to have 230 helicopters operating from RAF Lyneham and 15,000 people, compared with the 3,500 we have at present, there would be a price to pay in terms of developing the air base. My soundings so far—I cannot claim to speak for everyone by any stretch of the imagination—are that the vast bulk of the population would be ready to accept that environmental price under certain conditions, which I will return to in a moment, in return for the continuing economic viability of the area. We want the jobs and the military there, and therefore putting up

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with helicopter noise, which is a little bit noisier than Hercules noise, is something that I think the vast bulk of my constituents—although not all of them by any stretch—would be ready to accept.

In that context, I say to the Minister that if Project Belvedere goes ahead, it would be nice to enter into a period of negotiation with the RAF and the Army about flying protocols, so that we could minimise the disruption to the surrounding areas. I have already had brief discussions with the Army, who tell me that the majority of flights would be in a narrow corridor going from Lyneham down towards Salisbury plain, and we could enter into negotiations to minimise disruption and noise for local people.

The main problem is not knowing. In recent weeks, I have had a number of discussions about this matter with the Minister, as has my right hon. Friend the Member for North-East Hampshire, and rumours have flown to and fro—"Belvedere is on. Belvedere is off. Who knows what's happening? We haven't got the money, but we need to do this," and so on. It is important that a decision is made soon. Rumours coming back from various people in the MOD suggest that there is a plethora of committees and commands, and reports going to and fro and minutes of meetings, and that no one can make up their mind what to do. It is important now that the MOD decides either to go ahead with Project Belvedere or a lesser form of it, or—although I am very opposed to this—not to go ahead with it at all.

If the MOD comes to that final conclusion, the last thing I would say on this subject—I am sorry to have bored the House by focusing on what is largely a constituency matter—is as follows. I have seen what happened to RAF Wittering, which my own Conservative Government made the foolish decision to close in 1995 or so. It lay empty for many years, and there was vandalism and dereliction and total waste. I have seen the same in the town of Corsham in my constituency. The Army moved out in the '50s or '60s, and the town went down for a long time, although it is now coming back up again because of investment through the Defence Information Infrastructure process at Rudloe Manor.

The one thing I would not want to see at Lyneham is indecision and its lying vacant. We must not pull out the Hercules and then have nothing happening there at all. We must have clarity in terms of what is happening. The military might want it for some purpose—perhaps a garrison returning from Germany. Alternatively, if the military come to the clear conclusion that they do not need it and that they will leave in 2014 and hand it over to the local authorities and others who will make something out of it, I would welcome that, too. It is important that we now start to get a little bit of clarity about what the future holds.

I repeat my main point: I hope very much that we can keep the Hercules fleet at Lyneham. If we do not, I hope that we can get Project Belvedere and get the helicopters there. If we do not, I hope that we will find some other military use for Lyneham. If none of those three options works, all I would say is, for heaven's sake let us have a clear decision and let us get on with the next stage in our life.

5.20 pm

Dr. Julian Lewis (New Forest, East) (Con): One is sadly accustomed in these debates to paying tribute to service personnel who have been killed in theatre, previously in Iraq and currently in Afghanistan. One did not expect to have to refer to the murder, for that is what it was, of two young soldiers in Northern Ireland on the eve of their bravely flying out into theatre in Afghanistan, where they would have faced danger from a more recognisable enemy. I would like to raise, in a gentle way, for Ministers' consideration, one small issue that has not been raised today. They may not be aware of a petition that has drawn attention to the fact that these two young soldiers have not been accorded the same sort of ceremonial honour in being returned to the mainland of the UK that they would have been accorded had they died on active service in Afghanistan. These young men did die on active service, just as much as if they had been killed in Afghanistan, and it is only right and proper that they should be accorded the same sort of ceremonial honours. I hope that something can be done in that respect, particularly as it appears that one of their last acts was selflessly to try to protect their comrades as they came under fire.

In this debate, one Minister and three Government Back Benchers have spoken, one Conservative shadow Secretary of State and seven Conservative Back Benchers have spoken, and one Liberal defence spokesman has spoken. No Liberal Back Benchers have made a speech, despite the heroic efforts at in-flight refuelling by two Back Benchers making short interventions. In a debate on a subject of such breadth and importance, it behoves both the Government and those other parties that purport to be part of the Opposition to make sure that they are here in strength to speak up for their various views of the interests of the armed forces.

I come to the contributions that were made. The hon. Member for Vale of Glamorgan (John Smith) examined in customary depth and detail the defence training project scheduled for his locality. It appears to have been a timely speech, given the likely contents of a report—still embargoed, but due out tomorrow—that might have taken the edge off it. The hon. Member for Stafford (Mr. Kidney) spoke warmly of the support for the armed forces, and especially for the Gurkhas, shown by his constituents. My hon. Friend the Member for North Dorset (Mr. Walter) made a very persuasive speech. If anyone could persuade me that the European security and defence policy could complement, rather than undermine, NATO it is he—but even he has some way to go before he manages to achieve that.

My hon. Friend the Member for North Wiltshire (Mr. Gray), who has just spoken, was, as usual, passionate in his campaign against the proposed amalgamation of RAF Lyneham and RAF Brize Norton, but he was also deeply realistic, saying to Ministers—I saw assent being indicated from those on the Treasury Bench on this matter—that if there is to be some sort of adverse decision, it is better that it should at least be made clear as soon as possible.

My hon. Friend the Member for Salisbury (Robert Key) stressed in encouraging detail the very high public support for the services and for service charities. He pointed out that we still have major global interests and therefore need global reach, and that of course relates to both the amphibious capabilities and the future

aircraft carriers. It must be said that he has a special interest—perhaps he ought to have declared a family interest—in the aircraft carriers, given the excellent news that his nephew has been recently appointed to command HMS Illustrious. He also made a very interesting point about the size of the defence budget and what we would like it to be. He has the freedom to make that point, but I do not, although I shall be returning to that area a little later.

My hon. Friend the Member for Congleton (Ann Winterton) asked about how state-on-state war would be paid for. The answer is that if it ever happened—God forbid that it should—it would not be paid for in any planned sort of way. We do not go out and about looking for state-on-state warfare: we tend to get involved in such warfare when we are attacked by large, hostile states. What we have to do then, frankly, is find the resources irrespective of whether we can afford them. What we have to do in times of peace is at least retain the nucleus for expansion across the spectrum of armed forces capabilities, so that if we ever do have to fight for our very lives in or around our homeland, we would at least have the potential for expansion, which we would not have if we closed things down, bulldozed the sites and said that we would never do anything other than counter-insurgency in the future.

I was greatly encouraged to hear from my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot), the Chairman of the Defence Committee, that his Committee has decided that we are not under imminent threat of invasion from Russia. Indeed, I would have hoped that his Committee took the same view even throughout the cold war. One of the reasons why we were never under threat of imminent invasion was that we were sensible enough to keep our defences strong, not least by retaining a nuclear deterrent that made it clear to any other power that no matter how many times over they could obliterate this country, they would not be able to do it without paying an unacceptable price.

My right hon. Friend gave an appropriate and sombre warning about Afghanistan, but that does take us somewhat outside the scope of this debate. I agree that questions could be asked about the parameters of these debates. I have tended to look at this one not as "Defence in the UK", but "Defence of the UK", as it complements the subject of defence in the rest of the world. That is a commonsense way to look at it.

We heard a typically magisterial speech from my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind). He sets an example to the House of what it means to have experience, intelligence and fine judgment. His observations on the use of the reserves as a substitute—not from time to time or to fill particular gaps, but as a cheap alternative to adequate regular forces—were very well made indeed. The consequences of what he talked about—the under-resourcing of defence as a whole—are clear for all to see. One has only to look at the reports of the breakdown of relationships between the service chiefs, when they spend time rubbishing the projects of the other armed services in order to try to get a better share of an inadequate cake, to realise the poisonous effect of what has been done to the harmony, efficiency and potential of the armed forces.

I shall repeat what I have said every time that I have had the privilege of making a speech in one of these defence debates. We cannot go on as we are. We were spending 2.5 per cent. on defence when we went into Afghanistan and, as Tony Blair said in his valedictory speech on HMS Albion, we are still spending 2.5 per cent. on defence if the extra cost of Iraq and Afghanistan is added. We have, therefore, been engaging in two medium-scale conflicts on effectively a peacetime defence budget.

I do not know yet what final determination will be made by the leader of my party and the shadow Cabinet on pledges before the next election. One thing that I have been allowed to say repeatedly, however, and I say it again—there is nothing so good in counter-propaganda as repetition—is that a future Conservative Government will fully fund the defence commitments that we undertake. That is not happening at the moment, and it must mean that there will have to be either greater funding in the future or fewer commitments. Which of those two it will be, or whether it will be some point in between, will be revealed nearer the time. However, there will not be a continuation of fighting wars in a way that undermines the future viability of the core armed forces.

Mr. Arbuthnot: Does my hon. Friend remember that, before the 1997 general election, the Labour party pledged that we would reduce the proportion of spending on the defence budget to the European average of gross domestic product? Luckily, when European countries started to reduce their defence budgets as dramatically as they did, even this Government decided that they could not keep up with them in the downward spiral.

Dr. Lewis: I do indeed. I also remember during the cold war years—like many middle-aged men who were involved in those arguments at the time, I am prone to looking back to that time too often—the argument was always to ask why Britain was spending a greater proportion on defence than most of our NATO partners when our European colleagues and partners in NATO were spending much less. In fact, we were spending more than just about all of them except for the Americans. As somebody once pointed out, that was the wrong comparison. Those other countries were on our side. We should have been looking at what was being spent by our potential adversaries rather than what was being spent by our allies. We have to spend as much as the country can afford to fulfil as many military commitments as we need to undertake. We must not be guided by what other countries do, especially if they are on our side rather than our potential adversaries.

I now come to the question of the nuclear deterrent. It was pleasant to hear the traditional voice of Labour unilateralism coming in an intervention from the hon. Member for Liverpool, Walton (Mr. Kilfoyle), who spoke of the letter in *The Times* from three retired generals, and from the hon. Member for North Ayrshire and Arran (Ms Clark), who was concerned that other countries would follow the UK's example if we do not get rid of our nuclear weapons, presumably by acquiring nuclear weapons of their own, and claimed that such projects are historically far more expensive than when planned.

I have to correct the hon. Lady on both points. Both Trident and Polaris are famous, if not unique in MOD terms, for having come in on time and on budget and, in

[Dr. Julian Lewis]

at least one case, under budget. As for other countries, they will not make a decision to acquire nuclear weapons because Britain, an existing nuclear power, continues to maintain a minimum nuclear deterrent as long as other countries still have nuclear weapons themselves. Whether countries acquire nuclear weapons or not is a matter of their hard-headed interpretations of their own strategic interests. Throughout the cold war and subsequently, whenever people on that side of the argument were challenged to name a particular nuclear or near-nuclear country that would follow suit if we unilaterally gave up our nuclear deterrent, they have never been able to give an example.

As for the letter from the three generals, I would like to think of one of the three, Sir Hugh Beach, as a friend of mine. He is a very gallant and courteous man, who won a military cross fighting the Nazis in world war two. I think very highly of him, but he has always been against Britain's having an independent nuclear deterrent. I was pleased that, when the Royal United Services Institute invited him to write a long article for its journal, I was encouraged to write the rejoinder for the opposite side of the case. I invite anoraks on this subject to get hold of the February 2009 edition and immerse themselves in those two articles.

As well as being one of the most decent Members of this House, my hon. Friend the Member for Canterbury (Mr. Brazier) is certainly one of the most respected on the subject of reserves, but I want to concentrate on another aspect of his excellent speech. He went to the heart of the matter when he pointed out that virtually all the wars and conflicts in which we have been engaged in recent history took us completely by surprise. He gave a long and extremely impressive list, but I should like to add one more example. In the 1920s, this country's armed forces were so unclear about where the next war was likely to come from that each of them prepared its own hypothetical contingency plans against entirely different potential enemies—the Royal Navy against Japan, the Army against Russia, and the Royal Air Force against France. At least one of them got it right, but I leave it to hon. Members to decide which.

I turn now to the contribution made by the Minister for the Armed Forces. I was surprised at his feeble attempt to suggest that the Conservative policy on the maintenance of Trident was unclear. The Conservative party is the only major party in this House that has supported the maintenance of the strategic nuclear deterrent ever since Britain acquired one.

I take the Minister back to that happy day of 14 March 2007, when this House voted by 409 votes to 161 to proceed with the steps necessary to renew Trident and keep the nuclear deterrent for a new generation. On that day, 87 Labour MPs joined the Liberal Democrats in opposing the motion. If the Conservative party had done what the Liberal Democrats did and found an excuse to vote against the Government, the Government would have been defeated. So it really ill behoves the Government to say that the Conservative party, which saved their correct policy to go on with the nuclear deterrent, is in any way uncertain about the matter. If the Minister had any doubts in that regard before today, the excellent speech from my hon. Friend the Member for Woodspring (Dr. Fox), the shadow Secretary of State, means that he can have no more in the future.

Mr. Bob Ainsworth: All I was seeking was clarification.

Dr. Fox: Well, you got it!

Mr. Ainsworth: Absolutely, we certainly have it now, but it is something that the shadow Chancellor will have to bear in mind when he draws up his plans. As I said, the Conservative party must somehow stretch its ambitions around the money that it is applying, and the two do not match.

Dr. Lewis: Here is a litmus test for the Minister: when he sees that my hon. Friends the Members for Woodspring and for Aldershot (Mr. Howarth)—and, I venture to say, myself—have been quietly shifted away from the defence portfolio to other responsibilities, he may have some grounds for suggesting that there is something in what he has said. One never knows, as all such matters are in the lap of the gods—or, in this case, my right hon. Friend the Member for Witney (Mr. Cameron), the leader of my party, whom we all greatly admire and respect.

I particularly admire and respect my right hon. Friend because I remember his excellent response to Tony Blair at the end of 2006, when the statement about the Government's intention to go on with a new generation of the nuclear deterrent was made. I was somewhat involved in the drafting of that reply and my right hon. Friend made only two alterations, both of which made it even tougher than it had been in the original draft. I therefore have no doubts whatsoever on that matter.

I turn now to the contribution from the Liberal Democrat spokesman, the hon. Member for North Devon (Nick Harvey). I think that I dealt at the time with his bizarre claim that his party had been vindicated by the fact that a timetable had been set for withdrawal from Iraq, now that the insurgency has been brought so massively under control. The Liberal Democrats were advocating a timetable for withdrawal while the outcome of the conflict was still in doubt. I have argued before that counter-insurgency involves four elements: identification of the enemy, isolation of the enemy, neutralisation of the enemy and negotiation with realistic parts of the enemy to deal with the irreconcilables so that peace can then prevail. That is precisely what has happened in this case.

The hon. Gentleman's remarks about the protesters were well made and his commitment to a strategic defence review is good. It is a pity that it came so long after my party's calls for one, not only now but every four years. One of the interventions made during his speech seemed to suggest that we needed a strategic defence review because the last one had been tailored to the cold war. That is the opposite of the truth: the last strategic defence review, which we all, on both sides of the House, said at the time was a pretty good piece of work, was precisely tailored to the post-cold war world.

Nick Harvey: Yes.

Dr. Julian Lewis: I am glad the hon. Gentleman sees that. Perhaps that was why he described the intervention as "interesting" rather than giving it more positive support.

My time is all but up but I should like to say a word or two—[Hon. Members: "It is up."] Okay. I shall say a word and a half about the carrier project. In a written statement on 11 December, the Secretary of State said:

"We have concluded that there is scope for bringing more closely into line the introduction of the joint combat aircraft and the aircraft carrier. This is likely to mean delaying the in service date of the new carriers by one to two years."—[*Official Report*, 11 December 2008; Vol. 485, c. 67WS.]

However, although Lockheed confirmed that it was ready to deliver the first aircraft by 2014, the company was told by the MOD that it would not need the aircraft until 2017. The Minister with responsibility for defence equipment stated on 23 February that

"the reprofiling of the carrier programme was in no sense due to any delays in the JSF programme".—[*Official Report*, 23 February 2009; Vol. 488, c. 10.]

I have been referred by the Prime Minister in written answers to questions that were not reached on a Wednesday, both yesterday and last month, to each of those answers, so I should be very grateful indeed if the Minister would give us the reason why the aircraft carrier programme was delayed. It has not been made clear yet.

5.42 pm

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): As usual, the debate has been wide ranging. The contributions were not only well informed but covered interesting subjects.

Today, on the Conservative Front Bench we saw the neo-cons versus the Cameroons. The hon. Member for New Forest, East (Dr. Lewis) is a strong advocate for the nuclear deterrent—I would recommend to anyone his pamphlet arguing the case for it. It would be interesting if there were a Conservative Government—I shall not say that I look forward to the day—and the hon. Member for Aldershot (Mr. Howarth) was at the Department for Environment, Food and Rural Affairs and the hon. Member for New Forest, East at the Department for Culture, Media and Sport, with the hon. Member for Woodspring (Dr. Fox) running some bit of Government equivalent to a Siberian power station.

Today, the Conservatives have set out clearly that the nuclear deterrent is not up for negotiation. The reason that clarity is important is that sad anoraks, such as me, who read conservativehome can see that the central hierarchy of the party are trying to test the water—to find out whether negotiation would be possible. The clarity we have heard today is very important.

The hon. Member for Woodspring made an interesting speech and, in his usual way, covered a large number of subjects. He seems to think that the Navy is separate from the rest of the defence budget. He talked about the Navy being betrayed. I want to reinforce the point made by my right hon. Friend the Minister for the Armed Forces. We have the largest building programme ever for the Royal Navy—£14 billion over the next 10 years. That is a clear commitment from the Government to the Navy. It is important to ensure not only that we equip the Navy with the ships it requires but that we have the skills to produce those ships in UK yards.

Resources were mentioned. I look forward to hearing debates on the issue as the election gets closer. The hon. Member for Aldershot is clear about his position; he said on "Newsnight" on 6 September 2007 that it was absolutely crystal clear that if his party came into office on the next day, they would spend more money on defence. Clearly, that line has now changed. I think that when it comes to the defence budget, we will see more confusion of the sort that we saw on tax policy this week in the Conservative party.

Dr. Fox *rose*—

Mr. Jones: I will not give way; I do not have time.

I think that the three hon. Gentlemen on the Conservative Front Bench argue their point of view quite sincerely, because all three are strong advocates of the armed forces and supporters of the defence sector, but they will come up against a lot of Cameroons and others in their party who will not want to commit to defence.

The hon. Member for Woodspring mentioned Russia; I know that he raised the issue on another occasion, too. He asked whether there had been increased submarine activity. There has not been any increase in the usual levels of activity. There has been an increase in surface activity, but I think he will appreciate that I do not want to go into too much detail about that. Cyber-security needs to be taken seriously not only by the Ministry of Defence, but across Government. It is a new field that will increasingly play an important part in any type of attack in future.

The hon. Member for Woodspring rightly referred to the increased body armour provided in armed vehicles. More armed forces men and women in Afghanistan and Iraq are now surviving attacks, not just because of the skill of our medical staff but because of the protection they get. That leaves issues to do with rehabilitation, and I am certainly committed to ensuring that those concerned get support.

Mr. John Baron (Billericay) (Con): Will the Minister give way?

Mr. Jones: I will not.

The hon. Member for Woodspring touched on the subject of mental health, which was also mentioned by the hon. Member for North Devon (Nick Harvey). The hon. Member for Woodspring asked whether the issue was at the centre of the Ministry of Defence's concerns. I am determined to make it so, not just for the ministerial team, but within the chain of command, because all the evidence is there. We have to be careful not to use intemperate language when talking about the numbers. The numbers are quite small, but that does not detract from the fact that if just one single person suffers from post traumatic stress disorder, it is a personal tragedy for that individual and their family. We must do our utmost to protect them. I am working with service charities and other sectors on the welfare pathway, which will be announced later this year. It will look at the support that we give to our men and women not only when in service, but once they leave service.

Mr. Baron: Will the Minister give way?

Mr. Jones: I am sorry, but I will not.

The hon. Member for Woodspring raised the issue of decompression. Every time I have been to theatre, I have asked about the issue. I was in Afghanistan a few weeks ago and asked again whether the decompression period was long enough. It is 48 hours in Cyprus. Every single time, both commanders and normal soldiers tell me that that is long enough. I have said this to the hon. Gentleman before: I ask him not to denigrate in any way the role of our civil servants serving overseas. I do not think that he did so intentionally. Those staff are volunteers, and many are doing dangerous jobs in dangerous situations. We should thank them for the role they play.

[Mr. Kevan Jones]

I do not know whether anyone here has seen the film "Groundhog Day", but the contribution of my hon. Friend the Member for Vale of Glamorgan (John Smith) perhaps reminded a lot of us of it. He is a great, strong advocate for St. Athan. A lot of Members have asked where the new facility is, and I had to think very hard about whether it actually was in his constituency. I pay tribute, as he did, to the brigadier and the project team who are delivering that facility. It is a challenging and complex project that will not only deliver the training we need, but, as he rightly highlighted, have an economic impact on his constituency and part of Wales; that should not be underestimated.

The hon. Member for North Devon spoke of the number of people who have, sadly, been wounded or died in Afghanistan. May I join him in paying tribute not just to the men and women who have lost their lives, but their families, and to the medical staff, to whom he drew attention? I will not repeat the arguments on the timetable for withdrawal—it is one occasion on which I agree with the point made by the hon. Member for New Forest, East.

As for the larger issue of where we are, we are making changes, and there is new thinking on how we deal with, for example, the arms plot to provide more settled lives. The regional forces review will address some of the issues that, particularly in the Army, have not been previously addressed. I am not a great supporter of a defence review, because I fear that it would take a lot of time and effort, and detract from the immediate task at hand, which is not just supporting our service men and women but looking at their operational commitments.

Turning to the contribution from the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind), may I say that, yes, it is a great honour to be a Minister in the Ministry of Defence. Anyone who has that privilege, as he did, knows that we deal with some remarkable men and women in a great Department. I was a little concerned, because I know that he is a former Foreign Secretary, that he used the words, "wars of choice". I am worried that that may be interpreted as our being able to pick and choose the conflicts in which we become involved. I accept that he is not an isolationist who thinks that England can somehow divorce itself from the rest of world. However—and he knows this from his experience in the Foreign Office and the Ministry of Defence—one of those Departments may not think about the implications for others of its decisions. Having been on both sides, seeing that must have been difficult for him.

I do not agree with the right hon. and learned Gentleman's perception of why and how reservists are used. The position has changed. I never cease to be impressed when I go to theatre by the dedication of the men and women I meet. In some cases, certainly in reconstruction projects both in Afghanistan and Iraq, their civilian skills serve a useful purpose.

The right hon. Member for North-East Hampshire (Mr. Arbuthnot) raised the issue of Belvedere. May I tell him and the hon. Member for North Wiltshire (Mr. Gray) that my right hon. Friend the Secretary of State has got the message? We need to move on this, and my right hon. Friend agrees that the delay and uncertainty are not helping. The right hon. Member for North-East Hampshire raised the issue of JPA—the organisation that procured it is based in his constituency. May I say—and I have said this before—that it is a standing issue when I meet the head of defence personnel? There have been problems, but it is a remarkably successful IT project compared with those in other Government Departments. The important point about JPA, which I want to push, is how we achieve increased access to it. Internet access is the way forward. There are some security issues, but we are addressing them.

My hon. Friend the Member for North Ayrshire and Arran (Ms Clark) raised the issue of nuclear deterrence. As the hon. Member for New Forest, East said, it is nice to see that the unilateralist flame still burns in our party—although that is not something that I ever supported, I hasten to add. My hon. Friend mentioned the DSDA, and I will take that message back to the Under-Secretary of State for Defence, my hon. Friend the Member for Grantham and Stamford (Mr. Davies).

I have a lot of time and affection for the hon. Member for Congleton (Ann Winterton), but I thought she was occasionally a little intemperate in her speech. She takes a close interest in protected vehicles, and in a previous debate expressed thanks and recognised the advances that had been made. She asked for numbers, but I do not want to give the number of individual vehicles for operational reasons. Great advances have been made. When I was in Afghanistan a few weeks ago, I saw not only how they saved people's lives but the adaptations that had been made in theatre. We can rightly be proud of that.

The hon. Lady spoke about Merlin. The reason for the upgrade is that it is not a simple matter to move an aircraft from a peacetime role in the UK to an operational role. The issue was not that the helicopters could not fly without their rotor blades, but the need to increase efficiency. As a result, the number of flying hours that we are getting out of helicopters in Afghanistan has substantially increased.

My hon. Friend the Member for Stafford (Mr. Kidney) paid tribute to 22 Signals and thanked the people of Stafford for their support for the armed forces, particularly for the Gurkhas. The Gurkhas are within my area of responsibility, so I know that they will warmly welcome the support they are getting locally.

On the Borona project, I was in Germany on Tuesday and was briefed about the process. There is work to be done on sites and time scales, but I assure my hon. Friend that the project is still on schedule and under active consideration. It is important that where we site super-garrisons we have good working relationships in advance with local authorities, and I am sure he will play his role in that.

The hon. Member for Canterbury (Mr. Brazier) made a passionate and well-argued speech. He is a great advocate for the reserve forces. I, too, congratulate the Argylls in his constituency. We should not forget the reservists who have been wounded or killed in action, especially members of the special forces. We should ensure that they get recognition. I am sure that when the review document is published, the hon. Gentleman will be pleasantly surprised by much of it.

The hon. Member for Salisbury (Robert Key) is my former colleague on the Defence Committee. I think I have been to Salisbury more times in the past few

months than I had ever been in my life, and it is a wonderful city. He spoke about the role of the Navy and he is right. When I go to Kandahar or Camp Bastion, there seem to be more submariners there than anywhere else. They are playing a key role. I thank the hon. Gentleman for raising the issue of Help for Heroes, which has raised not only money but the profile and support for our troops, which is welcome.

One of the privileges of my job is to work with armed forces charities, which do a fantastic job. I am not one who thinks that Government can do everything. The charities have an important role. I hope that many people take part in armed forces day on 27 June and give the recognition and support that our troops deserve.

We heard a fascinating contribution from the hon. Member for North Dorset (Mr. Walter), which showed the tensions in the Conservative party on Europe. I am glad that he and the right hon. and learned Member for Rushcliffe (Mr. Clarke) are now in the ascendancy again in the party. The hon. Gentleman's speech was well argued. Britain cannot do anything alone. Working with European partners and NATO is important. We need to explain that and fight back against little Englanders such as the hon. Member for North Wiltshire. I wish the hon. Member for North Dorset well in his campaign to educate the more recalcitrant members of the Conservative party about the benefits of the European Community.

I have already mentioned Project Belvedere, which was also raised by the hon. Member for North Wiltshire. I understand the frustration. The hon. Gentleman makes a good point: a decision needs to be taken so that we can move on and get the necessary involvement.

In closing, it is always important for us to say a big thank you to our men and women in the armed forces. Whenever I meet them, whether in this country or abroad, I realise that they are young men and women carrying huge burdens of responsibility. In my first contribution to one of these debates, I said that I would like to continue the bipartisan approach in the House, which we certainly had in the Defence Committee, so that we are united in thanking and supporting the members of our armed forces who are doing very difficult jobs on our behalf.

Question put and agreed to.

Resolved,

That this House has considered the matter of defence in the UK.

Public Houses

Motion made, and Question proposed, That this House do now adjourn.—*(Helen Goodman.)*

6 pm

Mr. Laurence Robertson (Tewkesbury) (Con): I thank Mr. Speaker for awarding me this debate and the Minister for staying behind to reply to it. I say affectionately to the Minister that the pub industry and certain products in which it deals are close to his heart, as they are to mine. We share a number of interests, including horse racing and the odd social half hour in the bar downstairs. I am delighted that this Minister is replying to the debate. I am also grateful to the British Beer and Pub Association and the all-party beer group. My hon. Friend the Member for Ribble Valley (Mr. Evans), a member of the group, is here today to take part in the debate. I should also thank my local landlord, Mr. David Baker of the Village Inn in Twyning, for advice, facts and figures.

Obviously, pubs are historic institutions and go back many centuries. The Royal Hop Pole in my constituency was mentioned by Charles Dickens in "The Pickwick Papers". Pubs represent a big industry; there are more than 62,000 in Great Britain today and 84 per cent. of them are family-run businesses, which adds a certain importance to them. I notice that the hon. Member for Selby (Mr. Grogan), chairman of the all-party beer group, is here; I paid tribute to it a moment ago.

Pubs are extremely valuable to communities; they act as meeting places and many friendships are formed in them. Many groups are set up through pubs—pub football teams and golf societies, for example. Fairly recently I managed to win the tournament put on by my local golf society. I was very proud of that.

Mr. Nigel Evans (Ribble Valley) (Con): Did anybody else enter?

Mr. Robertson: I can tell my hon. Friend that, yes, others did enter.

Pubs play host to skittles matches, card games, dominos, darts and pool, as well as many other activities. They are headquarters for various societies, and—even more so these days—provide meals for families and individuals. In fact, almost 40 per cent. of pubs' turnover comes from food sales. People watch sports in pubs and pubs provide supervised drinking, an important point to which I will return in a minute. Some provide wonderful examples of fine architecture and many raise money for charities. Furthermore, they are particularly, although not exclusively, important in rural areas. They have been described as a uniquely British institution.

Pubs also make an important economic contribution, particularly through tax; according to the House of Commons Library, the drinks industry alone contributes £14.79 billion a year. Each pub contributes an average of about £90,000 in taxes, which is an awful lot of money. When we next go to our local pub, we should think about the £90,000 contributed just by that pub; we will then realise pubs' economic value to the country as well as to the community. At a time when people who enjoy a social drink are under pressure because of the misuse of alcohol by the few, we should remember how much money people who enjoy a drink contribute to the Exchequer.

[Mr. Laurence Robertson]

Some 350,000 people are directly employed by pubs, but a large number are also indirectly employed by them. On average, each pub contributes about £3,000 to charities in their areas. I pay tribute to all the landlords and landladies who have run such fine institutions over the years and provided such a great contribution to their communities.

Alas, however, there are problems, and that is the main reason for my wanting to hold this debate. I am thinking particularly of pub closures. Pubs are closing at a rate of 39 every single week. That is bad enough, but an even bigger problem is that the rate is accelerating. Since the last Budget, more than 2,000 pubs have closed, costing the Government £180 million in lost revenue, with the loss of 20,000 jobs—that is a lot of jobs to lose. In my own constituency, 11 pubs have closed since June 2005, including one very recently that I really would not have expected to close. Of course, in some areas, where the market might be saturated, a few pub closures are to be expected now and again, but this trend represents more than that, and it is very worrying. I would suggest that there are other reasons for it apart from the economic downturn, which obviously is not helping any business. I will name just a few: high tax; competition with supermarkets; pubcos, which are the organisations that own the pubs; the weak pound, to some extent; and the smoking ban. All those problems have contributed; I should like to take each of them in turn.

There are two worries as regards tax. It is sometimes difficult to get exact figures for tax on beer, but it seems that it accounts for 28 per cent. of the price of a pint in the pub. Over the years, the sale of beer has declined dramatically. Now there is the question of what the Chancellor of the Exchequer will do in a few weeks' time in his Budget. It is feared that the escalator that was imposed, which meant that beer duty would increase by the retail prices index plus 2 per cent., will create further problems for the pub industry. A while ago, VAT was reduced for almost all goods and services across the country, but that did not apply to drinks—beer, in particular—because the duty was put up to ensure that the price of alcohol did not fall. The beer industry did not get any boost from that reduction in VAT—although I doubt that any industry did, as it was a futile measure—because it, together with smoking, was singled out as an area that should not benefit. That is bad enough, but when VAT is restored to 17.5 per cent., it will face an even bigger increase because the duty was adjusted when the rate was reduced.

I do not have anything against supermarkets, but there are two problems: first, their provision of very cheap alcohol, usually through using it as a loss-leader to get people into them in the first place; and secondly, their power of purchase, also used against farmers, which enables them to refuse to accept increases that breweries might feel the need to pass on to them, even when the tax paid by the brewery has gone up. All the people who buy from supermarkets then drink unsupervised. Pubs provide a supervised forum for drinking; supermarkets do not. Under-age people are often—not always, by any means—able to get alcohol from supermarkets very cheaply and cause trouble in communities as a result. In pubs, tax forms about 28 per cent. of a pint of beer; in supermarkets, and in the off trade generally, it forms 50 per cent. That reflects the different prices that are charged. I am informed that in the 1990s the on-off ratio—the price in a pub compared with the price outside the pub—was 2:1; now, it is 7:1. The very cheap alcohol that is available in supermarkets has a big effect in terms of social behaviour, as well as on pubs.

There is also the question of pubcos. Punch Taverns, Enterprise Inns and many other companies own pubs that were once owned by breweries. Bass, for example, which was a brewer but also a pub owner, had 7,190 pubs in 1989. In 2007, Punch Taverns had 9,095 pubs. The ownership of pubs is very different now. Why is that important? All four or five of us in the Chamber today realise that a monopolistic situation exists—vertical integration might be a better way to describe it. The Select Committee on Business and Enterprise finished a report on that recently, but unfortunately it has not been published—we look forward to it. I am not against pubcos, but the fact that they act as a middleman, buying beer and then charging extra for providing it to pubs, which could get it directly from the breweries if they were not tied to the pubco, makes beer a lot more expensive for those who go into pubs. And we can see that the situation is worse for pubs when we compare their prices to those of supermarkets. I referred to my own pub, and Punch Taverns recently ordered a 10p a pint increase there because of the pressure it is subject to from breweries due to extra tax pressure, but it could add a bit more if it so wished. That said, only 14 per cent. of closures are of pubs owned by any of the top six pubcos; I am not saying that they do not do a good job in some cases, but I am highlighting a difficulty.

I mentioned the weak pound. I do not want to say too much about that, but if we buy alcohol from abroad, it will be dearer. I now come to the smoking ban. I realise that this will be the most contentious part of my speech, but that has never worried me before. I spoke against the ban on smoking in public places, not because I do not respect the right of people to enjoy themselves in smoke-free environments, but because I felt that it was up to the local landlord to know his potential customers and decide what was best for them. There can be no doubt that beer sales have fallen. There may be a few extra people who come into pubs because they are smoke-free—I do not think that there are many—but we could have had high-quality extractor units and separate areas in pubs, and things could have been so much better. I do not mean this discourteously, but if people are fair-weather patrons of pubs, they do not spend much money. They are entitled to sit in the corner with an orange juice all night—that is their privilege and I defend their right to do so—but that does not keep the pubs going. It is the more regular patrons, such as myself and many others, who provide more of the money.

Another aspect of that problem relates to the supermarkets selling alcohol very cheaply. People might be persuaded to stay at home, drinking cheap and probably stronger alcohol in greater measures, while smoking in front of children. Previously they would have smoked in a pub in front of adults who had a choice of whether to be there or not. The ban has not helped in any respect.

Rate relief and rural rate relief are helpful, but are seen as rather inadequate because qualifying levels are far too low. They are also discretionary and perhaps

they should be mandatory. Business rates will increase by 5 per cent. in a few days' time across the board, including for pubs, even though that increase is based on September's retail prices index. I do not think there is an RPI at the moment—I think that it is nil—but there will still be an increase, which seems unfair.

Mr. John Grogan (Selby) (Lab): On the subject of rate relief, does the hon. Gentleman agree that there is a strong case for extending rate relief not just to village pubs, but to those in market towns and suburbs? Any pub that calls itself a community pub should be able to apply for such rate relief—such a measure might be of some assistance.

Mr. Robertson: I agree with the hon. Gentleman. That would help, although it would not entirely rescue the situation. We must consider the position of small businesses. They have to pay money out before they have earned any. That payment is not based on their activity, and they really are in a difficult situation. I hope that the Government will do something about that.

Mr. Evans: Does my hon. Friend agree that something else that disadvantages a lot of small pubs with high rateable values is the fact that they are unable to put on Sky Sports, and particularly some football matches, because the charges are so prohibitively large? That is another reason why people are staying at home. They watch football there, because they are unable to do so in a lot of pubs, particularly in rural areas.

Mr. Robertson: My hon. Friend is absolutely right. I have seen examples of that situation, which has a bad effect. My sister has a bar in Spain, and when there is a world cup tournament on, or cricket, football or whatever it is, the takings rise greatly. If that facility cannot be made available by pubs in this country, for the reasons that my hon. Friend gives, it is a setback.

I suggest that there should be no increase in alcohol tax in the Budget. I know that the Government are looking to get back the billions of pounds that the Prime Minister has spent on rescuing failing banks and now on effectively printing money, but I think that an increase would be counter-productive. Oxford Economics estimates that an increase would cost a further 75,000 jobs over the next two years, which is a lot of jobs. Those people would then be unemployed, and the situation would get worse. The tax should be frozen. Actually, I would like it to be reduced, particularly on beer. I do not suppose that the Government will do that, but the situation is certainly becoming urgent when 39 pubs a week are closing. If people continue to turn away from pubs, it will be counter-productive from a health point of view because supermarkets will fill the void in a dangerous way.

I was pleased to hear the Prime Minister say recently, when there was a suggestion of a minimum price per unit of alcohol, that other methods should be chosen to counter the problems that are related perhaps to alcohol, but more particularly to people's bad behaviour. That is what we should put them down to. Yes, the low price of alcohol is fuelling the problems in certain places, but we should not lose sight of the fact that it is people's bad behaviour that is causing them.

We would like to see, as all small businesses would, an end to the drip-drip regulation that affects all businesses, but small ones disproportionately. We need to allow diversification—perhaps post offices could be put in pubs—and we need a simplified planning system for smaller planning applications. I have said that mandatory rate relief should be considered, and there should not be any increase in business rates this year. As I said, the inflation figure is now nil anyway.

I stand to be corrected, but I understand that the Government have not yet responded to the excellent report on the community pub inquiry produced by my hon. Friend and his team. Perhaps they could respond to the excellent suggestions in it. I look forward to hearing what the Minister has to say, and I thank him again for attending. Pubs are well worth saving, for the reasons that I have given—their economic value and their value to the community. To pinch a quotation from my hon. Friend's excellent report, the writer and one-time MP Hilaire Belloc said:

"When you have lost your inns, drown your empty selves, for you will have lost the last of England."

I think he had it about right.

6.18 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I am delighted to respond to the hon. Member for Tewkesbury (Mr. Robertson) and grateful that he has had the opportunity to discuss the future of pubs. I am also pleased to see the hon. Member for Ribble Valley (Mr. Evans) and my hon. Friend the Member for Selby (Mr. Grogan) in their places. I believe that they are all members of the all-party beer group and active participants in the beauty of drinking alcohol responsibly.

This is an important debate, and part of a continuing one. The hon. Member for Tewkesbury mentioned the all-party group's report, to which I want to respond very shortly. He will know that a number of Departments are involved in that response, and I shall co-ordinate it because the Department for Culture, Media and Sport is, I hope, the champion of the licensing industry. He referred to the fact that I enjoy the odd tipple—in fact, he knows that I am a keen pub goer and was pleased to support the "Proud of Pubs" week last year. I pay tribute to Phil, the landlord, Jenny, his wife, and the excellent staff of my local pub, The Glen in Gilstead. I look forward to their excellent service this weekend, when I hope to be there.

It was good to see so many parliamentarians attending the recent summit arranged in the House by the all-party beer group. It was clear from the excellent turnout ranging across MPs, Ministers, the industry and licensees, and from the quality of the debate, that there was concern about the role of pubs and their importance to our constituents. I and my ministerial colleagues recognise that the pub industry faces difficult times, and we want to address the issues and recommendations raised. The hon. Gentleman is right to say that the number of pubs closing is alarming, and that the number of jobs lost and the impact on the economy are serious issues.

I understand some of the frustrations of the pub sector with what it sees as the cumulative impact of Government measures, but those alone are not the cause of pub closures, as was identified in the excellent

[Mr. Gerry Sutcliffe]

debate—the hon. Gentleman raised some of the issues in that regard. We need to consider the role of tied houses and other pub companies, which, through differential pricing and the rents charged, have an impact on landlords. Although I understand the issues in relation to duty and regulation, I will discuss with colleagues in the Department for Business, Enterprise and Regulatory Reform how we can better understand the sector and provide help.

The ideas about the role that community pubs can play are excellent. The hon. Gentleman gave examples of what goes on in pubs, whether sport, which is important to me, as the Sports Minister, or other activities. In a rural setting, the pub is important in providing services to the local community. We need to consider those matters.

Although we take seriously the concerns expressed by the trade about many issues, I am afraid that I disagree with the hon. Gentleman about the smoke-free legislation, which is and should be a benefit to pubs. Given my role before I became an MP, he will not be surprised that workers' rights and public health are close to my heart. I believe that the restrictions introduced were the right way forward. A number of pubs have come up with ingenious solutions, in consultation with local authorities, to enable them to accommodate smokers. The debate will rumble on, but the majority of people backed our efforts.

The hon. Gentleman was right to talk about responsible and supervised, as opposed to irresponsible, drinking. He will be concerned, as I am and many responsible pub owners are, about alcohol-related crime and disorder, and the need to treat and deal with those who cannot handle drink and commit crime as a result. In many cases, customers are put off going to pubs in town centres, for example, because of the violence that takes place. We want to see the growth of community pubs, but we must acknowledge the wider public intentions of policy to tackle such problems. We want to achieve a balance.

I will respond to the all-party beer group, whose inquiry was important and dealt with well. I was pleased to give evidence to it, and it came up with a range of recommendations based on detailed consideration of the views of a variety of witnesses. I assure the hon. Gentleman that the Government will give a response soon, although it would be wrong to say exactly what it will be. Whatever the group feels about the outcome, I want to ensure that the message gets through that Ministers are aware of the current campaign and that the concerns are being heard.

We have taken some measures, such as the decision to extend the enterprise credit guarantee scheme to all types of smaller pubs, which has helped many tied pubs in particular. In relation to legislation for which I am responsible in the Department for Culture, Media and Sport, I have placed orders before the House that would introduce a simpler process for making minor variations to licences, and to increase the stakes and prizes for pub gaming machines. Previously, I have also committed myself to measures to improve other aspects of the licensing regime. We will reflect on the issues raised by the hon. Gentleman today.

Although the measures that we can take are important, they will not in themselves secure the viability of the trade or ensure that it can see out the economic downturn. How, then, should the pub trade help itself to respond to the challenges? The hon. Gentleman has already offered some solutions, but let me repeat that, in my view, community pubs could have a bright future.

The issues raised by the hon. Gentleman were reflected in a recent seminar conducted by the Institute for Public Policy Research, which presented all sides of the argument. I was particularly pleased to hear a representative of Alcohol Concern say that the idea of community pubs service was a good one. The debate about alcohol-related health problems has sometimes featured the argument that those who are concerned about them do not understand the issues surrounding pubs, but Alcohol Concern was clearly prepared to support community pubs because they promoted responsible drinking. I consider that to be a major breakthrough. It is possible that pubs could become community businesses. I know that my colleagues in the Department for Communities and Local Government are discussing the possibility that rate support and other support could be given to pubs.

Pubs have a great record of reinventing themselves and adjusting to changing demands—by offering better food, as many now do, or by offering more family-friendly premises. Sunday afternoon satellite television is important in securing the football market. I note what was said about that by the hon. Member for Ribble Valley. We must get that right. We speak of the decade of sport and the need to persuade more people to participate in sport. People want to see their role models on television, particularly footballers. We need to speak to representatives of Sky and Setanta, and similar providers, to see what they can do for the smaller pub—for pubs that are not part of a big chain that can afford the fee. I undertake to ensure that we at least talk to them about the possibility. The hon. Gentleman will be aware of the wider review of issues related to sport shown on terrestrial television, in which my hon. Friend the Member for Selby is heavily involved, but I think that he made a fair point.

The editor of the *Morning Advertiser* wrote in June last year that some of the current challenges had accelerated the decline in pubs that could not adapt to modern demands. That loss is sad, but we must ensure that we provide an opportunity for the pubs that remain to emerge successfully from the present downturn. I believe that that can be done if we adopt a positive attitude. Yes, there are issues to which the Government should respond with tax-related and other measures, although they should be seen in the round and in the context of all the other spending issues with which Government are faced.

Given that the all-party beer group is the largest group in Parliament, it is perhaps surprising that only five of us are present this afternoon. However, I am sure that the group's other members will be watching our debate avidly on television, back in their constituencies, to see what I have to say about the outcome for pubs.

Mr. Evans: On their pub televisions.

Mr. Sutcliffe: On their pub televisions, yes. Certainly the group is concerned about the impact of what is happening.

The pub is a traditional part of life here in the United Kingdom, and we must do what we can to ensure that it continues. Pubs face many challenges, but I think we are

all united in wanting to advance consistent arguments in favour of enabling as many as possible to survive.

Drinking habits are an issue. Social changes are taking place: people are turning from beer to wine, and more drinking takes place at home. Let me make a point now in case I am challenged on the matter in future. What we are talking about is responsible drinking, supervised drinking, and ensuring that people drink reasonably in a safe environment.

I undertake to deal with as many as possible of the points made by the hon. Member for Tewkesbury when I respond to the all-party group. I am grateful to him for raising the issue this evening.

Question put and agreed to.

6.29 pm

House adjourned.

House of Commons

Friday 27 March 2009

The House met at half-past Nine o'clock

PRAYERS

The Second Deputy Chairman of Ways and Means took the Chair as Deputy Speaker (Standing Order No. 3).

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163).

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Michael Lord): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 0, Noes 48.

Division No. 91] [9.34 am

AYES

Tellers for the Ayes:
Richard Younger-Ross and Simon Hughes

NOES

Bellingham, Mr. Henry
Blackman, Liz
Bottomley, Peter
Brennan, Kevin
Bryant, Chris
Burt, Alistair
Butler, Ms Dawn
Campbell, Mr. Alan
Chope, Mr. Christopher
Crabb, Mr. Stephen
Creagh, Mary
Davies, Philip
Evans, Mr. Nigel
Fitzpatrick, Jim
Foster, Mr. Michael *(Worcester)*
Gibb, Mr. Nick
Grogan, Mr. John
Gummer, rh Mr. John
Harris, Dr. Evan
Hodgson, Mrs. Sharon
Howarth, David
Johnson, Ms Diana R.
Jones, Mr. Kevan
Knight, rh Jim
Lammy, rh Mr. David
Laws, Mr. David
Leigh, Mr. Edward
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Malik, Mr. Shahid
McAvoy, rh Mr. Thomas
McCarthy-Fry, Sarah
McGovern, Mr. Jim
McNulty, rh Mr. Tony
O'Brien, Mr. Mike
Olner, Mr. Bill
Pearson, Ian
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Roy, Mr. Frank
Simon, Mr. Siôn
Spellar, rh Mr. John
Straw, rh Mr. Jack
Sutcliffe, Mr. Gerry
Thornberry, Emily
Wiggin, Bill
Wright, Jeremy

Tellers for the Noes:
Mr. Denis MacShane and Stephen Pound

Question accordingly negatived.

Royal Marriages and Succession to the Crown (Prevention of Discrimination) Bill

The Comptroller of Her Majesty's Household (Mr. John Spellar): I have it in command from Her Majesty the Queen to acquaint the House that Her Majesty, having been informed of the purport of the Bill, has consented to place her prerogative, so far as it is affected by the Bill, at the disposal of Parliament for the purposes of the Bill.

Second Reading

9.49 am

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I beg to move, That the Bill be now read a Second time.

It is first appropriate for the House to offer its thanks to the Queen for her permission to hold this debate. It clearly indicates that, at my request, the Government have been in discussion with Buckingham palace about this matter. Indeed, the Prime Minister has announced that that was the case. I just hope that the discussions concern more than just seeking permission to hold the debate.

This is a welcome opportunity to debate what most people, if not every right-thinking person, would consider to be the outrageous discrimination in our constitution against Roman Catholics and the equally unfair treatment of women. I come to this not from a religious perspective but from one of recognising that whatever someone's religious views—or their views of the royal family—our constitution should not be based on unjustified discrimination.

Mr. Denis MacShane (Rotherham) (Lab): I am grateful to the hon. Gentleman for giving way so early. Before he develops his arguments, may I offer him my congratulations? By introducing this Bill, he has moved the Government. It is said that Parliament is a poodle and achieves nothing, but we have one of our most senior and illustrious Secretaries of State, the Secretary of State for Justice, in his place on a Friday morning, and we have also had the Deputy Leader of the House making massive concessions on the "Today" programme this morning. I therefore congratulate the hon. Gentleman on putting this issue before the House and the nation, and I wish him well with his Bill.

Dr. Harris: I am grateful to the right hon. Gentleman for his support on this and on other important matters, and I recognise his contribution to fundamental issues of human rights and freedoms. Nothing would give me greater pleasure than to welcome real progress by the Government on this issue. I look forward to hearing the Government's view to determine whether real progress has been made, because the measure of that will be whether we see action in this term. Some 12 years ago, the Labour party's manifesto said that the Labour Government would end unjustified discrimination wherever it existed, and I strongly supported that. I do not doubt the sincerity of the Prime Minister, the Secretary of State for Justice—I am pleased that he is in his place this morning—or the Minister. However, those words and the sincerity behind them are not in the end sufficient when dealing with such discrimination. We need legislation. That is what we are here for, and that is the true power of Parliament.

Peter Bottomley (Worthing, West) (Con): My prediction is that we will need the next Conservative Government to carry this through, but we will listen to the Minister. Those of us who are Christians have a responsibility to bring the denominations together, and this measure would help to do that. To those who would argue that the succession of the crown from father to eldest son is the normal process, I point out that that has not happened since Edward III, and even then his father had not died, so we do have some power to make changes.

Dr. Harris: I am an expert neither in bringing together the Churches nor in history, but I recognise the points that the hon. Gentleman makes. It is interesting to note that the Bill has brought together a coalition—I was going to say an unholy coalition, but that would be wrong. Some people, on behalf of the Church of England, feel that the Church should not countenance the continuation of this discrimination. Some people, on behalf of Roman Catholics—I hope that we will hear from them later and I shall refer to their views—feel it is wrong that this ongoing discrimination is allowed to continue. And some people—I include myself in this category—come from a more secular, liberal angle, and ask how one religion can be singled out and picked on for discrimination in a way that is not appropriate in today's world, or indeed yesterday's world.

Simon Hughes (North Southwark and Bermondsey) (LD): As someone who was brought up in the Anglican tradition, I greatly welcome the Bill. In 1991, I was given leave to propose a ten-minute Bill that would have changed the sexist rules of succession and required the monarch to pay income tax. The following week, the palace announced that the monarch would pay income tax, so my hon. Friend should be encouraged: just by doing this he will have made significant progress, and things could happen very quickly, if the Government are helpful.

Dr. Harris: My hon. Friend did indeed propose that Bill in 1991, and part of it was implemented voluntarily. I do not seek to speak for the royal family, but I cannot see that the change would cause them a problem. They cannot opt to make the changes themselves, because it requires legislation. It is specifically a matter for Parliament. It need not be a matter for the Executive if they merely get behind this Bill as a vehicle to achieve it. If it were to require Executive action, I am sure that Parliament would want to provide as much as help as possible, because I think that there is a majority in favour of so doing.

It is appropriate to recognise the significant contributions to this debate that were made before I had the good fortune to come high up in the private Members' Bill ballot. For example, I recognise the work of the hon. Member for Gainsborough (Mr. Leigh), who on 8 March 2005 introduced the Royal Marriages (Freedom of Religion) Bill. We see eye to eye on very few issues—perhaps this one and fox hunting are the exceptions—but I have great respect for the consistent position that he has taken on this issue, and for the fact that, although he may not be an enthusiast for everything in the Bill, he was willing to recognise its importance and the fact that it was partly inspired by the action he had taken, and to put his name to it as a sponsor. I am grateful to him for being in his place today and for his support as a senior parliamentarian and Catholic.

The right hon. Member for Suffolk, Coastal (Mr. Gummer), in February 2007, introduced the succinctly titled Catholics (Prevention of Discrimination) Bill as a ten-minute Bill. The hon. Member for Worthing, West (Peter Bottomley) mentioned the next Conservative Government, but the right hon. Gentleman's Bill showed that even the Conservative party—I do not mean this in a party political way, but one has to remember what the adjective "conservative" can mean—has no problem with this proposal. I believe that we will hear confirmation of that from its Front-Bench spokesman. Indeed, many of the calls for some of the Bill's provisions have come from Conservative Back Benchers, and not necessarily those of a radical persuasion.

Stephen Pound (Ealing, North) (Lab): As the hon. Gentleman moves down the roll of honour on this issue, and before he mentions Lord Archer of Weston-super-Mare, who introduced a Bill on the issue twice, once in 1997 and once in 1998, will he mention Kevin McNamara, a former Member of Parliament for Hull, who introduced the Treason Felony, Act of Settlement and Parliamentary Oath Bill in 2001 and who was, above all, a consistent, clear, precise and logical voice for this move? Over many years, Kevin fought for the same principles of equality that the hon. Gentleman raises today.

Dr. Harris: I am glad that the hon. Gentleman mentions Kevin McNamara. I was going to come on to him next, but the hon. Gentleman has put it far better than I could. I had my disagreements with Kevin McNamara about discrimination in the school system against people who were not of the right religion, but he was clear on this issue and I shall quote him later.

The hon. Member for Ealing, North (Stephen Pound) invites me to refer to Lord Archer of Weston-super-Mare, and it is appropriate to recognise that he tried twice in the House of Lords to address these issues, especially the unfair treatment of women in the line of succession. That is another example of the opportunities that the Government have had to hear the argument in both Houses and to take action.

The case that I put in my Bill can be found in a book by Professor Vernon Bogdanor, who is, I am pleased to say, one of my constituents. In "The Monarchy and the Constitution", published in 1995, he says at the end of chapter 2:

> "The rules relating to succession, being a product of the religious struggles of the seventeenth century, are now ripe for reform. The statute specifically prohibiting a Roman Catholic or someone married to a Roman Catholic from occupying the throne is deeply offensive to Catholics, not only in Britain, but also in those Commonwealth countries with large Catholic populations such as Canada and Australia. It should be repealed."

I think that we will hear more about the Commonwealth later in the debate. Professor Bogdanor goes on:

> "In an era of equality of opportunity, moreover, it will appear increasingly anomalous for male heirs still to take precedence over female. There is at the time of writing a male heir apparent with two sons. Therefore, the succession is unlikely to be affected by any alteration in the law allowing for it to be passed to the eldest child of the sovereign irrespective of gender, as in Sweden. The time is ripe, surely, for such a reform.

Most urgent of all, however, is a reform of the Royal Marriages Act. There are, perhaps, few more absurd pieces of legislation on the statute book. The purpose of the Act, as stated in its preamble, that 'marriages in the Royal Family are of the highest importance to the state', can...easily be achieved without needing to invoke its complicated paraphernalia.

There is no reason why a marriage made in contravention, perhaps unconscious contravention, of its provisions by someone who was unaware of his or her descent from George II"—

I am reminded of a recent television programme which showed that there was a notable descendant of that line in a relatively high office in this country—

"should be void. It would be better simply to deprive the person concerned of the right to succession, as would occur if he or she married a Catholic."

He goes on to say:

"The fundamental weakness of the Act, however, is that it applies to many who are quite remote from the throne and who are never likely to succeed. Conversely, someone who may well succeed—for example, an heir presumptive whose mother has married into a foreign family—would fall outside the provisions of the Act. An obvious reform would be to make provision for the sovereign's approval to be required for the marriages, of the descendants not of George II, but of George VI, or, better still, simply for the first five people in the line of succession."

Professor Bogdanor concludes:

"Any member of the royal family to whom it applied would still, of course, have the right to renounce his or her rights of succession and contract a civil marriage, as Princess Margaret could have done in 1955. The second route provided for in the Royal Marriages Act, the declaration at the age of 25, is otiose and should be removed."

Andrew Mackinlay (Thurrock) (Lab): The hon. Gentleman knows that I support the Bill—and if I catch your eye, Mr. Deputy Speaker, I shall amplify the reasons why I support it and why I wish to amend it—but I think that even he is missing the central, fundamental point that is repugnant. It is not only the spouses of the monarch or the princes who are discriminated against, but the monarch him or herself. It is unacceptable in this day and age that a Head of State has to be an adherent—a communicant—of one particular religious faith. That is what is bonkers and repugnant.

Dr. Harris: In fact, the extract from Professor Bogdanor's book that I read out implies that he wants that provision to be changed as well, but let me be clear: my Bill would not affect the requirement that the monarch should be not only a Protestant but in communion with the Church of England—although the exact terms of that provision in relation to the Church of Scotland are not entirely clear. There is nothing in the Bill that would affect the establishment of the Church of England. That is a wholly separate debate, and one that I do not intend my Bill to influence or initiate.

My Bill has no implications for the future of the royal family as our monarchy. I support the monarchy, although I know that that may undermine my credibility in some radical circles. I would not have introduced the Bill if I thought I was wasting my time; there are other causes relating to human rights and discrimination to which I could turn my attention. I have to disappoint the hon. Gentleman, therefore, in that my Bill does not go as far as he might like, but I think that politics is often the art of what is possible and practical. This limited measure is possible, it is practical and it could be achieved.

Peter Bottomley: I hope that the hon. Gentleman will be slightly more ambitious. The practice of politics should be making possible what is right. The measure he is proposing is right for the Churches, right for the royal family and right for the country. When those interests come together, a measure should be supported, without delay.

Dr. Harris: Of course I accept that. The hon. Member for Thurrock (Andrew Mackinlay) says that he supports the Bill. However, what is in the Bill is possible and practical, whereas it would be more difficult to go further. I wish him luck in the ballot next time.

Andrew Mackinlay: I have great affection for the hon. Gentleman and I hope for his success, but I hope that he will discuss the long title of his Bill, which refers to the law of succession. The Bill is therefore amendable. If, contrary to his better judgment, he asks me to sit on the Committee that scrutinises the Bill, I shall try to amend it at that stage, so that it allows for the point I just raised.

Stephen Pound: Resist!

Dr. Harris: I am asked to resist that suggestion. I do not want to get ahead of myself by thinking about the Committee: that is a distant dream at 10 o'clock in the morning on a Friday, discussing a private Member's Bill.

I shall deal first with the discrimination against women. Princess Anne, the Princess Royal, whom I have had the pleasure and the privilege to meet, is one of the members of the royal family whom I hold in the highest regard for her work and her sense of duty. She is the second eldest child of the Queen, yet she is tenth in line to the throne. That is not acceptable in this day and age. It does not require her to complain; it is just obvious that that is unacceptable. It is no slight to her younger brothers to say that; it is just wrong that a woman should have to give way.

To encourage the hon. Member for Ealing, North, I shall cite the words of Lord Archer of Weston-super-Mare, in the 1998 House of Lords debate on his Bill. He is, after all, a Member of the House of Lords and the Government have not seen fit to change his status. He said that his Bill, which is equivalent to mine in this respect,

"would have no effect on the present Royal Family, making no difference to the status of the Princess Royal, so it could hardly be described as a revolutionary concept. While I am on the subject of the Princess Royal, I would suggest that had she been the first born, this debate would not be taking place in a half empty House of Lords on a Friday afternoon, but in every household in the country. Although I am delighted by the prospect of King Charles III, I am not fearful of Queen Anne II."—[*Official Report, House of Lords*, 27 February 1998; Vol. 586, c. 909.]

That is the point, is it not? It simply seems unfair, especially in the light of the historical contribution made by female monarchs. There is no evidence that the present arrangement is in any way justified. I am surprised that the Government have taken so long to deal with the matter.

I shall deal now with the bar on Catholics marrying into the royal family. That is a specific, singled-out discrimination, and the language of the statute on which it is based is offensive to Catholics—and, indeed,

[Dr. Evan Harris]

to people who are offended by other people being offensive. It was a product of its time, but it is not a product of this time. The Prime Minister said this morning that he thought that, in the 21st century, people would not expect those provisions to exist. I think that that is an understatement: such provisions would be surprising in the 20th century, or the 19th.

I have my differences with the hierarchy of the Roman Catholic Church, but at least no one—although some have tried—could accuse me of being a Vatican stooge in proposing the Bill. I can be cleared ab initio of such a charge.

Mr. Edward Leigh (Gainsborough) (Con): There is nothing wrong with being a Vatican stooge.

Dr. Harris: That may be so, but sometimes there is something wrong with being seen to be a Vatican stooge. That is the point. In correspondence, after I had announced the title of the Bill, I was surprised to find that, despite understanding the limits of the measure, a small number of people still feel that it would threaten the nature of this country if, in future, the mother—or potentially the father—of the heir to the throne were a Catholic, disseminating in some way loyalty to the Vatican and the Holy See rather than to this country. I just think that that is wild conspiracy of the sort of which the Catholic Church has found itself the victim on more than one occasion in recent times.

The hon. Member for Gainsborough said of his Bill:

"That provision, which is discriminatory and applies only to Roman Catholics is wrong and should be removed from our statute law."

In his speech on his ten-minute Bill, he mentioned that Cardinal O'Brien, the Primate of Scotland, had made a public statement as a result of the Bill being brought forward. He quoted the Cardinal as saying that the provision was

"clearly discriminatory and a breach of the human rights of members of the royal family…it should be repealed."

The hon. Gentleman also pointed out that

"Prince William would be barred from the succession if he were to marry a Roman Catholic, but if his bride became a Roman Catholic after the marriage ceremony, he could go on to become the monarch."

The hon. Gentleman went on to say, "That is ridiculous"—*[Interruption.]*—a statement that is echoed by my hon. Friends the Members for Cambridge (David Howarth), and for North Southwark and Bermondsey (Simon Hughes), on the Front Bench.

I pay tribute to the hon. Member for Gainsborough for his liberal outlook; I was fascinated to see that he went on to say:

"A male member of the royal family, if he were so inclined, could choose to contract a civil partnership with a Roman Catholic man, under recent legislation" —[*Official Report*, 8 March 2005; Vol. 431, c. 1392.]

and would not be disqualified. We are talking about an antediluvian measure, and the hon. Gentleman put the matter very well.

I hope that the hon. Gentleman will not mind if I deal with another point from his speech, as he put the argument so clearly. He pointed out that people allege that in the Catholic Church, a couple in what is called a mixed marriage—that is not his phrase—are required to bring up any children as Roman Catholics. He says that that is not the case in any event. I hope that I will get the chance to explain the historical example that he went on to provide.

The right hon. Member for Suffolk, Coastal said how strongly he felt when introducing his private Member's Bill, the Catholics (Prevention of Discrimination) Bill:

"In a civilised society there ought to be no reason to introduce this Bill. If we proposed a Bill on the Floor of the House of Commons that would make it illegal for the heir to the throne to marry a Muslim, a Methodist or a Mormon, that would be intolerable in a free society, yet the heir to the throne is still not allowed to marry a member of what is, on any Sunday, the largest worshipping community in this country. That is an insult to the Catholic community because it suggests that, somehow or other, being a Roman Catholic means being less of a citizen than someone belonging to any other religious denomination.

I admit that I feel ashamed that I did not introduce the Bill before, when I was an Anglican. Since becoming a Catholic, I have recognised what the attitude towards this denomination means. For that reason, I am trying to make up for the history."—[*Official Report*, 20 February 2007; Vol. 457, c. 154.]

I spoke to the right hon. Gentleman before today's debate, and his view has not changed. He put his point very well. I think it is appropriate, given that I am not a Roman Catholic, to read those testaments, and so to allow Roman Catholics to say how insulting they find the provision. Kevin McNamara—

Stephen Pound *rose—*

Dr. Harris: If the hon. Gentleman will forgive me, I will get in my quote from Kevin McNamara, who pre-empted me on the issue. He said, in debate on his ten-minute Bill, the Treason Felony, Act of Settlement and Parliamentary Oath Bill:

"the Act of Settlement…is extremely offensive in that regard. It stipulates that those who profess the Popish religion can neither be monarchs nor marry into the royal family."—[*Official Report*, 19 December 2001; Vol. 377, c. 320.]

He pointed out that Members of the Scottish Parliament unanimously adopted a motion expressing their wish that the discriminatory aspects of the Act be repealed. However, the matter is reserved to the United Kingdom, and to the UK Parliament, as Kevin McNamara pointed out, so it is up to us to address the issue.

Stephen Pound: I am grateful to the hon. Gentleman; he has been most generous in giving way. Before he moves away from that issue, may I point out that, as he will be aware, in 1688 the Bill of Rights was originally intended for the

"effectual preserving the King's person and Government, by disabling Papists from sitting in either House of Parliament"?

As I look around me this morning, I see that there has been some progress. Does he agree that at the root of the provision is fear, and that that fear is now utterly irrelevant?

Dr. Harris: That is a point well made. Of course, we are here primarily as parliamentarians, but those who wish to identify themselves with the religion have the ability to do that. If one considers the psephology, we see there is no sign, even in Scottish seats, that any preference is given to people with a particular religion—or, I trust, a lack of religion—when standing for Parliament.

Wikipedia lists the first 40 individuals in line to the throne, and there are some remarkable omissions. At No. 24 in the list is the Duke of Kent, the son of Prince George, the Duke of Kent. Then it says:

"skipped George Windsor, Earl of St Andrews...[XMP]"

The "XMP" in superscript apparently means "excluded because of marrying a papist". The list continues:

"skipped Edward Windsor, Lord Downpatrick...[XP]"

I think that the "XP" may mean that the person became a Catholic. It continues:

"skipped Lady Marina-Charlotte Windsor...[XP]".

At No. 25, Lady Amelia Windsor—daughter of George Windsor, Earl of St. Andrews—hangs in there, but then the list says:

"skipped Lord Nicholas Windsor...[XP]"

and

"skipped Albert Windsor...[XP]".

And so it goes on. So even in the literature, we can see that the rules have a current effect, even if not a practical effect.

Stephen Pound: I would be reluctant to use the expression "hangs in there" in the context of this debate. Can the hon. Gentleman say where, on that list, the Speaker of the House of Commons appears?

Dr. Harris: I did not realise that this was a quiz. I say to my tutor that my list only goes up to No. 40, and that is the Earl of Harewood. I think that the hon. Gentleman will have a chance to expand on his point—but not at too great a length, I hope—later.

On public opinion, fortuitously—it is amazing how much interest has been shown on the issue just today—this morning the BBC conducted an opinion poll, asking what the public thought about the matter. I am usually very severe on loaded questions, but I thought that these questions were very balanced. The BBC asked whether William should be allowed to succeed to the throne if he married a Roman Catholic. Some 81 per cent. of people thought he should, while 15 per cent. thought that would be wrong. When asked whether a woman should yield in precedence to younger brothers, 89 per cent. thought not, with a handful thinking that she should. I do not know of any political policy—not even among those in the Liberal Democrat manifesto—that has anything like two-thirds support, let alone more than 80 per cent. support, in the country.

Philip Davies (Shipley) (Con): What about a referendum on the EU treaty?

Dr. Harris: I do not think that even a referendum on the EU treaty would have 89 per cent. support, unless the *Daily Mail* or, say, the Shipley Post, conducted a phone-in poll of a selected sample. I say that in all seriousness, but the hon. Gentleman has made his point. The figures are significant. We are talking about a huge proportion. It is not as though there were a significant number of people who felt strongly that the current rules should be maintained. Indeed, in the same poll, only—I say "only"—76 per cent. of people said that they supported the monarchy, so more people support fairness in the monarchy than support the monarchy. The monarchy would be even more popular, I would argue, if it dealt with those problems, because then they would not be seen as a barrier to supporting the monarchy. The changes are therefore in the interests of the monarchy, and I do not believe—I have no information that makes me certain of this—that the monarchy cannot see that.

Simon Hughes: Does my hon. Friend accept that, as my hon. Friend the Member for Cambridge (David Howarth) and I were just discussing, public opinion may also have been affected by the fact that, if we look back over the history of Britain, we see that when woman have been given power, they have done extremely well? Almost without exception, our female monarchs have been fantastic, and we have had a woman Prime Minister who, whatever one thought of her policies, was highly regarded as a holder of that post. The reality is that the public want more women to take high office; that must be a conclusion.

Dr. Harris: I would encourage hon. Members to focus on the topic at hand. The Bill provides enough key issues.

There is clearly support across the House for such measures from Members who have given up opportunities to introduce private Members' Bills to propose them, on both sides of the House and in both Houses. There is also public support. I do not believe there is any opposition from Opposition Front-Benchers. Indeed, I look forward to hearing unanimous support for the Bill from them. I know that my hon. Friend the Member for Cambridge is bound by party policy to support the measure, but I think he would have supported it anyway, as he was probably responsible for the party policy in the first place.

It is important to turn to the Government's position, particularly as the Secretary of State is still with us in the Chamber. As I noted, the Government said 12 years ago that they were keen to get rid of unjustified discrimination wherever it existed, and I hope they will accept—

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): The Government did indeed say that we would get rid of unjustified discrimination wherever it existed, and I suggest to the hon. Gentleman that we have a record second to none in that respect. We had the Lawrence inquiry. We introduced the Race Relations (Amendment) Act 2000, which is now widely recognised as some of the best anti-discrimination legislation in respect of race anywhere in the world. It was we who ensured that we got rid of the hated and fantastically discriminatory section 28. It was I as Home Secretary who sponsored the equalisation of the age of consent. We have done a huge amount in respect of anti-discrimination against women and to equalise people's chances and respect for different faiths and religions. The hon. Gentleman will also know that my right hon. and learned Friend the Leader of the House—

Mr. Deputy Speaker (Sir Michael Lord): Order. I am reluctant to stop the right hon. Gentleman, but he appears to be embarking on a speech. Is he about to pose a question to the hon. Member for Oxford, West and Abingdon (Dr. Harris)?

Mr. Straw: Is the hon. Gentleman aware that my right hon. and learned Friend the Leader of the House is about to introduce a very comprehensive equality Bill?

Dr. Harris: I am grateful to the right hon. Gentleman for putting that on the record. The Government do not need to be defensive about their record, and I am not saying that he is. I, and my hon. Friends, voted for every one of those measures and, on occasion, urged the Government to go further. There is no difference between us on those proposals. Clearly, their record is better than that of the previous Government, so when he says their record is second to none, I certainly accept that it is better than that of the previous Government and previous Governments, except the Government that included Roy Jenkins. For their time, that Government were possibly more radical. They did not wait for public approval—I am not saying that the present Government did—but that Government did not legislate at a time when public opinion was liberal on homosexuality.

Andrew Mackinlay: The Justice Secretary said in an aside, "Come on Andrew," because he saw my body language indicating dissent. I remind him, and the House, that when he became Home Secretary, I tabled a parliamentary question asking the Government at the earliest legislative opportunity to alter the law preventing an ordained Catholic man from becoming a Member of Parliament. The parliamentary reply, which is on the record, was no. Then the Labour party selected such a man for the constituency of Greenock and Port Glasgow, and we did the right thing for the wrong reason.

Mr. Deputy Speaker: Order. The hon. Gentleman is falling into the same trap as the Secretary of State. I believe he is seeking to catch my eye later, and if successful, he will be able to make those points.

Dr. Harris: The hon. Member for Thurrock will indeed have a chance, as I am on the last part of my speech, in which I shall look at the Government's position and pose some questions to the Minister. I am pleased that the Secretary of State is present—I recognise that he is a busy man—and that the Deputy Leader of the House has stayed for the debate.

I gave the Deputy Leader of the House notice that I intended to quote from his excellent work on constitutional reform. He produced a pamphlet relatively recently called "Powers to the People", in which he identified things that could be improved. I shall quote from it as I know the hon. Gentleman is sincere in his view that these things need to happen. He wrote in that document:

"The succession to the crown is presently determined by the Act of Settlement 1701, which stipulates that the throne shall pass to the Electress Sophia of Hanover and her Protestant descendants according to the principle of male preference primogeniture. This means that the crown passes to the eldest son and his descendants before it would pass to a daughter or her line. Even if the eldest child were a daughter, she would not accede to the throne unless the male line had been exhausted."

Indeed, we know that daughters are not heirs apparent. They are heirs presumptive, in case there is male issue later.

The pamphlet continues:

"Clearly this is unfair—and most other European monarchies—

Sweden, the Netherlands, Belgium and Norway are cited, which I would say have a record second to none, compared to our country—

"have already changed their equivalent acts of succession to provide for absolute primogeniture, so that men and women are guaranteed equality.

Whilst the UK could only proceed with reform in this with the agreement of other Commonwealth nations who share the monarch, there is a strong argument for reform now, before Prince William or Prince Harry has children. If William's first child were to be a girl and his second a boy, it would be inconceivable that the daughter should not inherit the crown. For that very reason, in Sweden the succession was changed when there was already a male presumptive heir who was replaced in favour of his elder sister."

The hon. Gentleman goes on to say:

"The Act of Settlement also requires that any descendant who is or becomes a Roman Catholic, or who marries a Roman Catholic, is barred from the succession."

He goes on to cite the example of Prince Michael of Kent, and he points out—this was written in 2008—that:

"In May of this year, Princess Anne's son Peter Philips ... married his Canadian fiancé Autumn Kelly—only after she had converted from Catholicism to Anglicanism in order to secure his place in the pecking order for the succession."

Even the most proselytising evangelical Protestant would not see that as a particularly efficient way of picking up converts.

The document continues:

"The Act also stipulates that the sovereign must be in communion with the Church of England, must swear to preserve the church, and to uphold the Protestant line of succession."

The hon. Gentleman goes further than my Bill when he states:

"The government has tended to oppose such moves on the grounds that if there were no bar to a Catholic taking the throne the monarch's role as Governor of the Church of England would be in question. However, several senior members of the Church of England, including the former Archbishop of York, have argued for the repeal of these provisions, at least so as to allow the monarch or heir to the throne to marry a Catholic."

So we come back to the limited measures in the Bill.

I cannot understand, which is why I asked the Minister, why the Government have not made more progress on the issue. The Bill states that it is for this Parliament to do so. There is a provision specifying that there must be consultation with the Commonwealth before the measure can have effect. I accept that the wording of the provision may be too wide because it refers to consulting

"the government of every Commonwealth country",

whereas only 15 Commonwealth countries need to be consulted. I am prepared to accept that there is an obligation on the Executive to consult those Governments, but I do not think there would be opposition, and there is no veto.

The Government could use the Bill, and the time that has been reserved for it, to introduce it at the same time as consulting. I do not understand why the Government said overnight that they did not support the Bill, even though they supported the principle behind it and the contents of it. I do not see how they can bring in their own Bill in time. Quaint though our constitution is, it specifies a five-year term for a Government, and that term will end, at least for this Parliament, next June. There is a Report stage day ready and waiting for this Bill. I am not selfish about it. The Government can take it, call it their own, and amend it as required, so that it would not come into force until

"such day as the Secretary of State may by order appoint",

in order to ensure that everything is done right by the Commonwealth.

Mr. Leigh: No Commonwealth country would object. That would be ridiculous. Consultation could be done with a phone call, and it could be completed within weeks.

Dr. Harris: In answer to a question on constitutional renewal, the Secretary of State said:

"Let me say to my hon. Friend that I speak on behalf of the Prime Minister: because of the position that Her Majesty occupies as Head of the Anglican Church, this is a rather more complicated matter than might be anticipated. We are certainly ready to consider it, and I fully understand that my hon. Friend, many on both sides of the House and thousands outside it, see that provision as antiquated." —[*Official Report*, 25 March 2008; Vol. 474, c. 27.]

According to a report, however, two days later, at the No. 10 morning press briefing, the Prime Minister's spokesman seemed to dismiss the idea that any kind of reform was possible, given that

"to bring about changes to the law on succession would be a very complex undertaking; it would involve the amendment or appeal"—

sic—

"of a number of items of related legislation, but it would also require the consent of legislators of member nations of the Commonwealth."

None of those things is a barrier, and I do not understand how the Government can say that it would be a complex piece of legislation; after all, the Secretary of State himself kindly set out in an answer of March 2008 what legislation would need to be reviewed to ensure that the Bill was accurate. There were nine such pieces of legislation. My judgment, and that of constitutional experts, is that the only repeals and amendments required are in the Bill. However, if the Secretary of State thinks I have missed one out or that one is unnecessary, I urge him to table amendments. If those amendments were reasonable and justified, I cannot conceive of circumstances in which I or any other Member who supports the Bill would object.

Philip Davies: To help the hon. Gentleman on that point, I shall cite Lord Falconer. When speaking about the Bill, he said that the legislation affected would be the Bill of Rights 1688, the Coronation Oath Act 1688, the Union with Scotland Act 1707, the Princess Sophia's Precedence Act 1711, the Royal Marriages Act 1772, the Union with Ireland Act 1800, the Accession Declaration Act 1910 and the Regency Act 1937.

Dr. Harris: Exactly. Hon. Members have been dealing with the Apprenticeships, Skills, Children and Learning Bill through the night. The list of repeals and amendments in that, and in the Coroners and Justice Bill, is massive compared with what is, in angling terms, a tiddler of a Bill—even though its amendments are very important.

The case is clear. The Bill is a competent vehicle to make the changes and it is the Government's last opportunity in this parliamentary term to achieve what they say they want to do. They have not shown me any barrier to doing it, and I would like to make the Secretary of State an offer. I will have a wager with him: if he is able to make the changes, even without the Bill, in this parliamentary term, I will provide a week's MP's salary to a charity of his choice in Blackburn—and, indeed, to a charity in Dewsbury.

Mr. Straw *rose*—

Dr. Harris: Let me finish outlining the terms of the wager. If the Secretary of State does not make the changes, he can delegate one of his Ministers—they can argue among themselves—to give a week's MP's salary to a charity of my choice in Oxford, West and Abingdon. Those are two-to-one odds; surely the right hon. Gentleman will take the bet.

Mr. Straw: I have to make two points. First, that is completely contrary to the ministerial code. Secondly, is the hon. Gentleman aware that it is also contrary to the new Bribery Bill, which I published on Wednesday?

Dr. Harris: I understand that that is another overdue piece of legislation, but I suspect that it will become law before the commitment that the Government appeared to give—that they would solve the problems that I have been discussing—is met. Given the opinion polls, the mood of the House and the long-standing insult to women and Roman Catholics, we cannot allow the opportunity given by the Bill to pass us by. I do not claim that it is perfect, but it is the best shot that we have. I urge the Government to support the Bill—and, if they feel that a private Member's Bill is the wrong vehicle to go to Royal Assent, to take it over. Let us solve this problem once and for all.

10.33 am

Andrew Mackinlay (Thurrock) (Lab): I congratulate the hon. Member for Oxford, West and Abingdon (Dr. Harris) on introducing the Bill, and I support wholeheartedly his comments in favour of it. However, despite what will be said in the Chamber later and what the Prime Minister and the Deputy Leader of the House said on Radio 4, I am absolutely certain that there is no prospect of the Bill's advancing unless it gets a Second Reading today. The Second Reading will transform it.

Why do I say that there is no chance that the Government will pursue the Bill's intent with vigour? I shall explain why. I do not doubt that the Home Secretary and the Prime Minister—and, indeed, everyone on the Treasury Bench—recognises that the law needs to be addressed at some stage. But they have no intention of doing that yet. Other hon. Members have said today that surely the current monarch is not opposed to the Bill, and I imagine that in principle she is not. Somebody else raised the issue of whether other countries whose Head of State is the Queen would object, and of course they would not.

However, the matter will not be as simple as that unless the Prime Minister and the Lord Chancellor demonstrate real political will and enthusiasm. Frankly, their track record on the matter has not been very good. For the record, and to buttress my point—I hope that the Lord Chancellor will seek to prove me wrong—I should say that after the Labour Government were elected, I asked for action on a small, archaic area of discrimination. It prevented somebody ordained in the Catholic Church who had become laicised from being elected to the House of Commons. In canon law and United Kingdom law, a Catholic priest is always a Catholic priest—once a priest, always a priest. However, the person would have stepped down from those offices. I wanted to lift the impediment that prevented such a person from being elected to the House of Commons.

[Andrew Mackinlay]

I asked the Government to do that at the earliest legislative opportunity, and the reply was no. My party then selected a man who had been a Roman Catholic priest to be the candidate in Greenock and Port Glasgow. A Bill was then swiftly enacted to enable that, so we did the right thing for the wrong reasons. However, the tale demonstrates the deep conservatism of Government Ministers, including the Lord Chancellor, on these issues.

Those listening carefully to what the Prime Minister and the Deputy Leader of the House said on Radio 4 this morning will have noticed that they betrayed the fact that they had not really researched the issue. Their terminology was all wrong. They said that they would have to talk to members of the Commonwealth. Actually, that is constitutionally incorrect; they need to talk with and get agreement from states whose Head of State is the Queen and that are by coincidence members of the Commonwealth. The overwhelming majority of the 56 or so countries in the Commonwealth are republics. The issue could very well be dealt with at the margins of the Commonwealth Heads of Government conference—that occasion could be a good vehicle, but the issue is not within the competence of the Commonwealth Heads of State as such. I relate that story because it demonstrates that the Prime Minister had not been adequately briefed or had not understood the point at issue. Of course, he needs to understand that to begin to address the matter.

The hon. Member for Oxford, West and Abingdon is the architect of the Bill, but even his approach is slightly flawed. I wish to amend the Bill in Committee. Clause 4(2) is about consulting the Commonwealth; again I say that consultation should take place not with the Commonwealth, but with countries where the Queen is Head of State. Furthermore, the matter is not one of consultation; there has to be simultaneous agreement. The Bill would need to be amended to say that it would come into force after there had been agreement with the Governments and legislatures where the Queen is Head of State. Why do I say that? We have to understand the Statute of Westminster 1931, which was a benchmark in our constitutional development and then that of Canada, Australia, New Zealand, South Africa and what was then known as the Irish Free State. In its preamble, the Statute of Westminster says that

"united by a common allegiance to the Crown, it would be in accord with the established constitutional position of all the members...that any alteration in the law touching the Succession to the Throne or the Royal Style and Titles shall hereafter require the assent as well of the Parliaments of all the Dominions as of the Parliament of the United Kingdom".

In my view, the Bill should proceed on to the British statute book, amended so that it empowers us to trigger the changes once there is agreement with the legislatures and Governments of these other countries.

This is not an academic issue. One has to understand the events of December 1936, when—I have read the debates many times—Archibald Sinclair, Clement Attlee and Stanley Baldwin managed to get through this House, under the provisions of the Statute of Westminster, the abdication Act of 1936, which was a one-clause Act that permitted Edward VIII to abdicate, by an instrument, on the following day. It was done under the Statute of Westminster because the then Dominion Prime Ministers of Canada, Australia, New Zealand and South Africa exercised their rights under the Statute of Westminster by asking what was then called the Imperial Parliament to enact on their behalf, as they saw a need for dispatch in this matter. The abdication Act was passed here, but then triggered the law in Canada, Australia, New Zealand and South Africa. That could not happen today because the constitutions of Canada and Australia, in particular, have moved on, and that would prevent them from derogating to this place a law altering their Head of State legislation. I expect that it would also be politically offensive and unacceptable in all those other states. There needs to be simultaneous agreement, which I think would be forthcoming.

I referred to Canada, Australia, New Zealand and South Africa, but another Dominion was involved—what was then called the Irish Free State. It was not a republic, but part of the realms of Edward VIII. The then Prime Minister of the Irish Free State, Eamon de Valera, said, "Hang on a minute. You're not going to pass at Westminster legislation affecting my country's Head of State—I'll pass my own and exercise my right under the provisions of the Statute of Westminster." Then he introduced into the Parliament of the Irish Free State a law ending the title and office of Governor-General—the representative of the King—and creating the office of President of the Irish Free State. He did not move to a republic, but he altered by some degree the constitutional arrangements. There are two significant elements to that, the first of which is an interesting anomaly: Edward VIII was King of Ireland for one day longer than he was King of the United Kingdom, Australia, Canada, New Zealand and South Africa. Furthermore, under the precedent created by Eamon de Valera, as we consulted all the 16 other states about changing the law, that would raise domestically in their jurisdictions issues relating to moving to a republic, or if not going that far—I intervened on the hon. Member for Oxford, West and Abingdon about this earlier—the question of the Head of State not having to be the follower of a particular faith, because many people, especially in Australia and Canada, would find that offensive. It would open up a can of worms.

I believe that, if I may use the phrase, the palace is not unsympathetic to the issue raised by the Bill, but it is concerned that it will open a Pandora's box, not just here in the United Kingdom—perhaps least of all here—but in all the other countries—

Mr. Deputy Speaker: Order. May I gently say to the hon. Gentleman that the House should hear his opinions on these matters, but I am not sure that he should go quite so far as to start to give the opinions of other people?

Andrew Mackinlay: What I wanted to show is that there is no lack of will on this issue; everyone agrees that the current position is wrong. The people who could make the proposal more likely to be enacted are like rabbits trapped in the headlights of a car, because if they move on this, they will open up a whole range of issues. Certainly, the former Conservative Prime Minister of Australia, John Howard, a very enthusiastic monarchist, did not want these issues raised because that would detract from his enthusiasm for having the monarchy in Australia. There are problems about how this is dealt with. However, the Prime Minister needs to prove me

wrong. I hope that on the margins of the Commonwealth Heads of Government meeting he will raise it with these states, and in the meantime support the Bill. We can have this legislation in place to be triggered if and when there is agreement among the Governments and legislatures of the other countries.

Simon Hughes: Does the hon. Gentleman accept that there is a view that if these clearly discriminatory provisions go, that makes the case for keeping a monarchy in all the countries in question, as well as our own, stronger rather than weaker, because some of the objections will have disappeared?

Andrew Mackinlay: Probably, yes; there is some logic in what the hon. Gentleman says.

I will have to refer to the Statute of Westminster and the circumstances of '36 again, but I want to move on to the issue of discrimination against women. I invite the House to consider this: if the late King George VI and Queen Elizabeth, whom we came to know as the Queen Mother, had had a third child, a son, the world would not have heard of Queen Elizabeth II. The present monarch has an approval rating that no democratically elected Head of State or Government could even match. Whatever one's views about the monarchical institution, the present Queen is acknowledged as having given enormous, great public service in the United Kingdom, in the countries where she is Head of State, in the Commonwealth, where she is Head of the Commonwealth, and worldwide. Her breadth of experience and knowledge is beyond reproach. I say that as somebody who has some reservations about our Head of State institutions. Her personal capabilities are fully acknowledged. However, this lady's qualities would never have been tested—she would never have become Head of State—had there been a younger brother. But for that fact, she would—I do not say this in any frivolous way—at most be the Duchess of Edinburgh, Lady Elizabeth Mountbatten. That demonstrates the absurdity and unfairness of the situation, and it needs to be reflected on.

Having looked at the long title of the Bill, I am pleased that the hon. Gentleman deals with the business of the succession. I find discrimination on the grounds of religious faith repugnant, and I think that that alone should be the rocket motor for the Government to enact this legislation, which could and should be done with some dispatch. I have already referred to how the primogeniture rule would have discriminated against our current Head of State and what a loss it would have been had she not become so. The succession is not an issue in the immediate term, because I feel confident that the present Queen will have the privilege of having the option of sending herself a telegram on her centenary. I think that that is highly possible; indeed, I am confident that it will be achieved, and we want it to happen.

However, we have to look to the future. The succession would be a problem if there were some immediate crisis in the monarchy. We cannot be confident that there might not be somebody who is next in line to the throne and is either unacceptable to a lot of people or is not all that keen on succeeding. The latter is a strong possibility: somebody might say, "I really don't want to be the Head of State." The problem is that there is no statutory provision for a person to abdicate. When the Bill goes into Committee, I would like to amend it to provide for that. It would be very unfair for somebody who did not want to succeed to have to do so, and it would be unfair to this country and to the other countries involved if somebody who was about to succeed was unacceptable. A prudent, sensible constitution should provide for an abdication, and that needs to be considered. The abdication Act 1936 was a one-off. As I have already demonstrated to the House, there is no existing provision.

There are sensible, good precedents for a change. In the royal succession in the Netherlands, Queen Wilhelmina served a long reign and abdicated in favour of Queen Juliana, who then abdicated in favour of Beatrix. In the Grand Duchy of Luxemburg in 1918 and 1919, the Grand Duchess, after the traumas of the occupation, decided that she wanted to abdicate, and went into a convent. Her sister, Grand Duchess Charlotte, succeeded her, and after a long reign she abdicated in the late 1960s in favour of Grand Duke Jean. In their constitutions, they had the facility and capacity to do that; we do not, which is why the matter should be looked at.

The other issue that requires amendment is the question of morganatic marriages. When I have raised this question in the House before, people have asked me what on earth a morganatic marriage is. It is extremely important concept, and it was what Sir Archibald Sinclair, Clement Attlee, Stanley Baldwin and the Prime Ministers of Canada, Australia, New Zealand, South Africa and the Irish Free State refused Edward VIII in 1936. They created a constitutional precedent or convention. The matter needs to be looked at again because anybody who is the spouse of the Head of State, or of anybody in line to become Head of State, should have the opportunity to say, "I do not want to become the Queen." They may have a profession, not want to do it, or wish to lead a very private life.

That question needs to be addressed, and it has some relevance. The comments I have made before now relate to long in the future, but I have pursued this particular matter in the House of Commons before. When it was announced that His Royal Highness Prince Charles was marrying Camilla Parker Bowles, Sir Michael Peat of his office put around the idea that if Prince Charles succeeded to the throne, the Duchess would not become Queen. They knew, and I knew, that that was rubbish, because the wife of the King, ipso facto, becomes Queen at the moment of his succession. If they want a morganatic marriage—and that was the spin—we ought to provide for one. If the intention is that she does become Queen, as I suspect she will, they should be up front and say so. They should not try to play games. The statutory position is that there is no provision for a morganatic marriage, and that should be addressed because it would be a modern innovation.

Stephen Pound: I am extremely grateful to my hon. Friend for giving way. Not for the first time, the House has been educated by his erudition, and I am reluctant to stand in the way of his unstoppable flow. Before he moves off his point about the putative Duchess of Edinburgh, he talks about a possible third child—a son—who might have been King, and is praying in aid, as all people would, the idea that the advantage of the present monarch being Her Majesty is so great that no one would wish to oppose that. Is he not missing the rather obvious point that we do not know who that son

[Stephen Pound]

would have been? He could have been as good as her. Is it not more important that we speak of the principle rather than the personalities?

Mr. Deputy Speaker: May I just agree with the last point that was just made? We are also straying into the subject of abdication, which is not strictly what the Bill is about. Can we try to stick to principles, rather than get too much into the detail of the people involved?

Andrew Mackinlay: Yes, Mr. Deputy Speaker, but in my defence, may I point out that the long title of the Bill demonstrably relates to succession, so it is possible to deal with abdication—and I see some acknowledgment of the fact that I am on firm ground. Secondly, I want to make abundantly clear my unreserved respect for the present monarch. It would be difficult for someone to have a higher approval rating than hers, for the reasons that I have set out. She is demonstrably outstanding. Had there been a younger brother, we would have been deprived of those extraordinary talents. I apologise if that point is discourteous, but the reverse was my intention.

Simon Hughes: The whole House recognises the fantastic service and qualities of the Queen, and whatever people's views, they must say that. However, does the hon. Gentleman agree that although these are proper matters in the context of succession, my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) is trying to persuade the House that there are two succinct ring-fenced matters, which could be dealt with now, in a manner compatible with Government policy, and the task is to get this Bill through and look separately at the broader set of constitutional issues that quite properly need to be addressed?

Andrew Mackinlay: I accept that because, if the Bill of the hon. Member for Oxford, West and Abingdon, which I support, were given a fair wind by the Government, a number of things would follow from it. There would need to be a mechanism to talk to the Prime Ministers of other countries. And this is not new ground. I asked John Major and Tony Blair, during a number of Parliaments, whether there was some dialogue—and if not, whether it could be initiated—between the Heads of Government in those states where the Queen was Head of State, and both of them said no. That is why I come back to my frustration on these matters. No doubt the Justice Secretary will feel aggrieved, but the track record on this matter is poor. I give him full marks on the constitutional changes that bear his fingerprints, but legislators either treat this sensitive area with some levity—

Mr. Straw: No, I didn't.

Andrew Mackinlay: Or they are frightened. My right hon. Friend did not treat it with levity, but some do.

It is important that we get our legislation correct, and we must deal with the matter with some dispatch. First, it is discriminatory on ground of faith; secondly, it is discriminatory on grounds of gender; and thirdly, if we do not begin to address it, one day this Parliament will face a substantial embarrassment, which, far from advancing or maintaining the monarchical institution, will put it in peril. The points I introduced were not a red herring or an attempt to create a diversion. The issues that should be raised are morganatic marriage, which is a current issue for the reasons I gave—the spin of Sir Michael Peat and others—and the question of abdication. Long may she reign, and she will do so, but there might be a stage down the road where a person does not wish to succeed, and there is no facility to allow them to fulfil that wish. And we would still have to discuss the matter with the other states, which will lead to paralysis. I am just being sensible and prudent in saying that we should address the matter now.

In conclusion, the Bill should be amended, even if we keep it narrow. It should reach the statute book, but remain in hibernation until there is simultaneous and comparable legislation and agreement is made with the other legislatures where the Queen is Head of State. I wish that those from the Prime Minister downwards would get their terminology correct and not refer to the Commonwealth. It is a broader matter, which affects those countries where the Queen is Head of State which by coincidence are members of the Commonwealth. If we do not do this, what happened here and in the Irish Free State in 1936 will be multiplied and create chaos in the countries where the Queen is Head of State that pepper the globe. I support the Bill.

10.58 am

Mr. Edward Leigh (Gainsborough) (Con): It is a great pleasure to be here today to support the hon. Member for Oxford, West and Abingdon (Dr. Harris) in introducing this Bill. It has been a long time coming, and we have waited a long time for a complete day on the matter on the Floor of the House of Commons, as opposed to a 10-minute Bill, with a real chance of getting legislation on to the statute book. I do not think that I need to declare a personal interest in this matter, even though my son, Benedict, is 640th in line to the throne. I think that I shall be fairly safe—we will not manage to kill off the preceding 639.

It is said that Catholics are easy-going people and, in fact, one of our bishops was quoted yesterday as saying that this issue is not high up the list of our priorities, and that we know that, in reality, there is no discrimination in this country. However, the matter is still lurking. I remember that when I took my Gainsborough seat, my wonderful predecessor said two things to me. First, he said, "Edward, I am handing you Gainsborough, a virgin bailiwick. Don't spoil it by doing anything." The second thing that he said was, "I understand you're Catholic—don't mention that to anybody around here." I am sure he was joking.

We are very easy-going, and there is an element of a pre-emptive cringe in the Catholic population in this country after hundreds of years of lying low. We do not want to make a big fuss about succession, but just imagine if the Bill of Rights contained the same provisions against Jews or Muslims as against Catholics. There was a Statute of Jewry that expelled Jewish people from this country in 1290—an outrageous measure long since got rid of—but imagine if we had the sort of language about Jews or Muslims that is in the Bill of Rights about Catholics. It states:

"And whereas it hath beene found by Experience that it is inconsistent with the Safety and Welfaire of this Protestant Kingdome to be governed by a Popish Prince or by any King or

Queene marrying a Papist the said Lords Spirituall and Temporall and Commons doe further pray that it may be enacted That all and every person and persons that is are or shall be reconciled to or shall hold Communion with the See or Church of Rome or shall professe the Popish Religion or shall marry a Papist shall be excluded and be for ever uncapeable to inherit possesse or enjoy the Crowne and Government of this Realm."

That is in the Bill of Rights—it is part of our law. Imagine if there were something in the Bill of Rights making a similar provision against Jewish or Muslim people. There would be outrage, and it would not last five minutes. It would be got rid of. The Government would not say, "Oh, it's all rather complex, and we've got to consult the Commonwealth, and nobody really cares about it very much either." The provision is discriminatory, it is on the statute book and it should be got rid of straight away.

Stephen Pound: The hon. Gentleman will be aware that the only theological objection to the Roman Catholic Church in the Bill of Rights is a reference to transubstantiation. Does he agree that that proves that it was an entirely political provision, not a theological one? It was the politics of then, which today we should turn our back on.

Mr. Leigh: Yes, we all know that it was about the politics of then and about James II, and there is no possible justification for leaving the provision on the statute book. I do not need to labour the point, but the situation is ludicrous, particularly in the Royal Marriages Act 1772. The cardinal archbishop was at a meeting in the House yesterday and put it quite well, although in a rather politically incorrect way. He said how absurd it was that Prince William could marry anybody that he liked, a Muslim or a Hottentot—perhaps a bit unfair to Hottentots, whoever they are—but not a Roman Catholic, which is ridiculous. As I have said before, Prince William could have a civil partnership with a Roman Catholic man if he wanted. Out of the great galaxy of eligible young women in the whole of Europe and the world, the only person he cannot marry is a Roman Catholic woman. That discriminates not just against us but, as the hon. Member for Thurrock (Andrew Mackinlay) said, against Prince William. He might want to marry a Roman Catholic woman.

It is said to us, "Oh, this is not going to apply," but it has applied. For instance, in 1978 Prince Michael of Kent married a Catholic and was automatically barred from the succession to the throne, so it applies at this moment. It is not a theoretical matter, and the hon. Gentleman read out a list of people who have been disbarred. Would it not be ludicrous if Prince William were barred from the throne because he chose to fall in love with a Roman Catholic? Of course, the Government hint that they would then immediately rush through legislation, but why do that? It would make us look absurd. Why not do it now?

Andrew Mackinlay: Before we move away from the question of marriages and how unfair the situation could be to the monarch, the Prince of Wales or one of the royal princes, it is interesting to note that the second marriage of Her Royal Highness Princess Anne was conducted in the Church of Scotland. It is beyond doubt that that was in line with both the constitution and matrimonial law. But in respect of His Royal Highness Prince Charles, many constitutionalists argue that the wedding had to be conducted in the Church of England, which of course it was not. There was a blessing, which is quite a different matter from a matrimonial service. Such grey areas have to be visited, because whether what happened in the Windsor registry office is in line with the constitution is a matter of serious debate.

Mr. Leigh: The hon. Gentleman is obviously an expert on this, and perhaps we need to find out about and debate such matters. The absurdity is shown by the fact that everybody is prepared to be very liberal and broad-minded, and say that nobody was going to prevent the Duchess of Cornwall from becoming the wife of the Prince of Wales if he wanted to marry her for whatever reason. It is all rather ludicrous. Lord Forsyth put it quite well in the other place when said that this is the constitution's "grubby little secret". It is, and we should get rid of it. It is wrong because it perpetuates the notion that Catholics are somehow disloyal. They were considered disloyal in the 17th and perhaps even the 18th century. I agree that we did have a slight problem with the gunpowder plot, for which I do apologise. I should like now to set history straight and declare a formal apology to the House of Commons, but I say in our defence that that was 400 years ago.

Dr. Evan Harris: Even though I do not approve of it, the fact that effigies are burned every year makes the point. The hon. Gentleman does not have to apologise. It is the perpetuation of a libel—we would not tolerate it for any other religion and we should not tolerate it for Catholicism.

Mr. Leigh: No, we should not, and that is a point that I made earlier. Muslim and Jewish people are quite rightly very sensitive about discrimination, and we have to make the point that if there were a similar provision on the statute book affecting them, it would not last five minutes. The situation is tolerated only because the 4 million Catholic people in this country are so easy-going that they are almost horizontal, as I am for much of the time about many political issues. We do not make a fuss about it, but the Government should not prey on our good and easy-going nature and leave the provision permanently on the statute book.

If anybody thinks that all this is ancient history, they might not know that the last Catholic relief legislation was passed only in 1927, in the lifetime of many of our parents. Before then, if a Jesuit or a Dominican priest entered the country, they had to register with the Home Office as a suspected disloyal person who might subvert the constitution. We should not think that this is somehow ancient history; it goes right into the modern age.

Andrew Mackinlay: More recently, the hon. Gentleman's noble Friend, the late Viscount Hailsham, had to enact a provision to allow the option for the then Conservative Member for Epsom and Ewell, Peter Rawlinson, to become Lord Chancellor. The situation is much more recent. In fact, it is ongoing—I keep returning to the question of my hon. Friend the Member for Inverclyde (David Cairns).

Mr. Leigh: We need to deal with the problem; it is ongoing.

[Mr. Leigh]

Let us examine some of the objections to a change. They are red herrings, but we need to get to the bottom of them to find out exactly what is going on. First, there is the suggestion that the proposal has to be put to the Commonwealth. The hon. Gentleman read out part of the Statute of Westminster, but as I asked earlier, does anybody seriously think that the 15 members of the Commonwealth that have the Queen as their Head of State would object for a minute to the proposed changes? The consultation could be done in a phone call. I therefore do not accept that objection at all.

I pay tribute to the hon. Member for Oxford, West and Abingdon, because as a result of the Bill, for the first time ever the Prime Minister actually started talking seriously about the matter last night, perhaps because he has other problems that he wants to divert interest from. It is on the front page of the *Daily Mail* and *The Daily Telegraph* today, and apparently the Prime Minister intends to raise it in the margins of the Commonwealth conference. But the fact is that the change could be made easily, and everybody knows that that is not the real reason for objections.

Ah, but is there another reason that we are not being told about? Are people actually worried about opening Pandora's box? I think that hints may have been dropped, particularly by our friends in Australia. They may have said that there is a lot of republican sentiment there, and that if a motion went in front of the Australian Parliament, it might provide an opportunity for republicans to come forward. I know the way in which the establishment works—I am part of it. A little hint dropped here—I know how such things work. Would it result in Australia becoming a republic? No. A referendum has already been held there. It is a huge issue—if it wants another referendum, it will have one. Simply moving a motion on the Floor of the Australian Parliament to get rid of some ancient discrimination will not suddenly propel Australia into becoming a republic.

I know that there are various rules—we cannot attribute opinions to the Queen, but we love her and worship her, and, if there is any sensitivity there, we understand it. I know how the establishment works, so I will say no more. However, if there has to be some delay or sensitivity—people have put that to me—I quite understand. The Government can still make their intention absolutely clear. Nobody wants to embarrass our current monarch—we hold her in the highest regard and respect—and we all know that she had to take a particular coronation oath. All those matters are understood, but the Government today could convey a firm message that they intended to get rid of the discrimination.

Stephen Pound: I would never presume to correct such a senior member of my faith. However, whereas I entirely agree with his first comment about Her Majesty, is "worship" the appropriate word, given the subject that we are debating?

Mr. Leigh: Perhaps that is going too far—a bit of hyperbole. With the royals, we have to lay flattery on with a trowel, as Disraeli famously said.

Dr. Evan Harris: We cannot presume the Queen's opinion or state what we think it might be, but although she cannot comment—she has been very good about that—there is no need for it to be a problem. The Government are, through Parliament, in charge of the matter. I do not believe that there is any question of its being an embarrassment to Her Majesty.

Mr. Leigh: In reality, it would not be an embarrassment. There has not been a royal veto since Queen Anne in 1708—and there would be no veto. We all know that the argument is ridiculous. The Commonwealth argument does not, therefore, hold.

What about complexity? We are constantly told about it, but it is absurd. Professor Blackburn, who is an expert, has not yet been quoted. His comments are included in our parliamentary brief from the Library, and they are worth reading. He says that

"this complication would hardly bother the government's legislative draftsmen, known as 'parliamentary counsel'. As a constitutional measure, the Constitutional Reform Act 2005, transforming the office of Lord Chancellor and position of the Law Lords, was far more complex. The annual Finance Acts, dealing with the inter-woven minutiae of mind-boggling taxation details, are arguably much worse in terms of detail and comprehension."

The complexity argument is therefore a red herring.

One wants to know what the Government are playing at. I put the question to Tony Blair at the Liaison Committee when he was Prime Minister. He almost laughed in my face and said that he had got far more important things to do. First, the Government use that argument, then they claim that it does not make any difference and then they use the complexity argument, which, we all know, is nonsense. They introduce tens of thousands of lines of legislation every year, without difficulty. We also know that the Commonwealth argument does not stand up.

Is the final objection the position of the Church of England? Let me make it clear that, although I do not trust the hon. Member for Oxford, West and Abingdon in every respect, I certainly do not believe that he wants to affect the position of the established Church. To disestablish the Church would send the wrong message. We already have the problem of secularisation. The fact that we have an established Church should be a matter of great pride to us.

Angus Robertson (Moray) (SNP): In England.

Mr. Leigh: I apologise. We have an established Church in England and we also have the established Presbyterian Church of Scotland.

Angus Robertson: It is not established.

Mr. Leigh: One should not venture into other countries because one's knowledge starts getting feeble. I will leave Scotland to one side.

Mr. Jim McGovern (Dundee, West) (Lab): I am happy to profess that I am a Roman Catholic. I am sure that the hon. Gentleman knows of John F. Kennedy's comment, "My religion may come from Rome, but my politics come from home." Is he aware that Glasgow Rangers dropped Sir Alex Ferguson because he married a Catholic? Glasgow Rangers has now seen fit to adopt a non-sectarian policy. Why cannot the monarchy do the same?

Mr. Leigh: I take that point, but I will not comment on Celtic and Rangers in case I put my foot in it.

The Bill will not affect the position of the established Church. I am very ecumenical. I sit on the Cathedral Council of Lincoln cathedral, I think that the Anglican Church does a superb job and I want it to remain the established Church. I want the monarch to remain the head of the established Church as Supreme Head of the Church of England. I have no difficulty with that. However, colleagues have put it to me darkly, "Well, of course it's discriminatory, Edward, but there's a bit of a problem here, because if one of them marries a Catholic, their children will inevitably become Catholics." That is a red herring, too. My children are not baptised Catholic. My wife is Russian Orthodox and my children were therefore baptised Russian Orthodox. Although I referred to my son Benedict earlier, I think he would be entitled to inherit the throne because he was not baptised a "papist." The notion that all Catholics insist on their children being brought up Catholic is wrong—that is no longer part of our rules. Of course, as with any other religion, one should use one's best endeavours to bring them up in the faith, but if that is not possible, so be it. If such a measure were passed, the hierarchy of the Catholic Church in England could make it plain that, if the heir to the throne married a Catholic, it would be relaxed about the children being brought up as Anglicans. There is no difficulty with that.

Dr. Evan Harris: Of course, the problem would exist if the heir to the throne married a Jewish woman. Under Jewish law, those children are automatically Jewish, and they could not therefore succeed to the throne. It is not a problem that is particular to Catholics—I guess that the same would apply to Muslims. The test is whether the monarch at the time of taking the oath is in communion with the Church of England or the equivalent in Scotland. The problem is not unique to Catholic parents who have married in.

Mr. Leigh: Absolutely. Let us bury the idea straight away and give any reassurance necessary that there is no Catholic plot somehow to ensure that the kings and queens of England are Catholic for evermore. I am not sure if anyone has ever made the point that I am about to make: would it be possible for the Supreme Head of the Church of England not to be a Protestant? The Supreme Head has little practical role in the Church of England—it is a ceremonial role. I think we get too worried about such matters.

Andrew Mackinlay: The hon. Gentleman makes a good point. It is worth bearing in mind that the Church of England diocesan bishops are appointed through the Prime Minister's office. Clearly, a Prime Minister can be a Catholic, and many have not been communicants in the Anglican Church. I agree that the established Church is not a problem. It already works with people who are not Anglican communicants, but who facilitate the existence and works of the established Church.

Mr. Leigh: Exactly.

Let me deal with primogeniture. The hon. Member for Oxford, West and Abingdon will understand that, as a traditionalist, I may slightly veer away from him. However, I am relaxed about the matter. If the House of Commons wants to vote on the matter, with us all piling in on a busy day, we should have the opportunity to do that. The Government could take over the Bill. They could conduct a big vote in prime time on a Wednesday afternoon—it would excite much interest. We could all have a free vote about whether we wanted a girl to succeed straight away if she was born first. As a traditionalist, I might vote against—I hope the hon. Gentleman does not mind my saying that. The monarchy is not entirely a logical institution.

Andrew Mackinlay: To say the least.

Mr. Leigh: If we were entirely motivated by logic, perhaps we would not have a monarchy at all. However, we know that the monarchy is tied up with our history and tradition. We know that the Queen does a good job and we do not want someone like Richard Branson becoming president of the United Kingdom. The hon. Member for Oxford, West and Abingdon said that he is not proud, and that if there are any problems with the Bill, he will hand it over to the Government.

Dr. Evan Harris: I totally accept the hon. Gentleman's position and he was clear with me from the outset. However, it is worth pointing out that the comedian David Mitchell made a joke about a Bill. I argued that it would diminish discrimination in the country, which he took to mean discrimination in the monarchy. He said that to try to make the monarchy less discriminatory by such a measure would be like throwing a pebble into the Grand Canyon to make it less of a grand canyon, because the nature of the monarchy is that it discriminates by choosing a particular family. The Bill is not about the monarchy; it is about the message that we send to the people in the country, the monarch's subjects and citizens.

Mr. Leigh: That is a good moment to end. The Bill is about the message that we send to the people of this country. We will no longer tolerate any kind of discrimination against any religious group on any bit of our statute. That is all that we ask from the Government and that is what we now demand from the Bill.

11.20 am

Stephen Pound (Ealing, North) (Lab): I would like first to refer to some of the interventions that have been made, particularly that of my hon. Friend the Member for Dundee, West (Mr. McGovern). There is one self-denying ordinance to which we should all subscribe, which is that we shall not start talking about Celtic and Rangers. However, I seem to remember that when Mo Johnston went from Celtic to a team in France and then on to Rangers, there was a great deal of graffiti in Glasgow that said, "Bless me father, for I have signed." I hope that we have moved on from that.

It is a great honour to follow the hon. Member for Gainsborough (Mr. Leigh). The thought of a Russian Orthodox heir to the throne would probably excite some interest in former President Putin's inner coterie—it may be part of some diabolical plot, although I am not aware of that. I should declare that my quick back-of-the-envelope calculation shows that, whereas the hon. Gentleman's son Benedict is in somewhat close proximity to the throne, my son Pelham is about 63,000,480th in line to the throne, but I love him all the same.

I congratulate the hon. Member for Oxford, West and Abingdon (Dr. Harris). He is a man with whom I do not always agree, but occasionally he has that marvellous

[Stephen Pound]

quality of stepping where others fear to tread. There are times when he espouses causes that make me fear that the full moon has exerted too powerful a tug upon him. However, in this case he has done a signal service. The way he has constructed and presented the Bill, as well as the generous honour—not to mention the meaty backhander—that he offered my right hon. Friend the Lord Chancellor, has taken us into an area that is long overdue for discussion.

In considering the matter, we must take into account two rather interesting factors. First, virtually everybody says that the measure is a long overdue corrective and that the current position is indefensible. However, it is only when we go to the next step and say, "Well, why haven't we corrected it? Why are we defending it?" that we come to the meat of the matter. The hon. Member for South Staffordshire (Sir Patrick Cormack) posited one of the most logical and conservative suggestions when he said that it would be inappropriate to the change the system, because it had worked fairly well as it was and because things were far too complicated.

That is the pure conservative argument, which was, sadly, shared by my right hon. Friend the Lord Chancellor when he said:

"The Government have always stood firmly against discrimination in all its forms, including against Roman Catholics, and we will continue to do so,"

but that

"To bring about changes to the law on succession would be a complex undertaking involving amendment or repeal of a number of items of related legislation, as well as requiring the consent of legislatures of member nations of the Commonwealth. We are examining this complex area although there are no immediate plans to legislate."—[*Official Report*, 12 January 2009; Vol. 486, c. 513W.]

So the hon. Member for Oxford, West and Abingdon has somehow advanced no immediate plans, despite a widespread discussion in the press and the media today. The hon. Member for Gainsborough prayed in aid the professor of constitutional law at University college London, Robert Blackburn, and his point is exactly right. A House that can see a Finance Bill through could certainly see this Bill through.

If there is no real argument against the Bill, if the complexity argument is pretty thoroughly destroyed and if there is no real objection under the Statute of Westminster 1931, is there a theological argument against the Bill? Is there perhaps some subliminal fear, still today, that Roman Catholics are fit to be ruled, but are not fit to be rulers? Is there still some visceral fear that there is an inherent disloyalty in Roman Catholics? My hon. Friend the Member for Dundee, West rightly quoted former President Kennedy. I would not remotely mention myself in the same breath, but I, too, received postcards on being elected saying that I would listen to the Vatican before I would listen to Northolt.

Dr. Evan Harris: If the hon. Gentleman saw my postbag, which I would be happy to share with him, as I proposed the Bill, he would see that there is still, in a very small number of people, that visceral, irrational and unjustified fear. That is one of the reasons why we should pass the Bill, because doing so is the sort of thing that we need to do to neutralise that fear, rather than wait for it to flow away. The whole point of the Bill is to tackle that head on, because part of the Bill is about tackling prejudice wherever it exists, as well as eliminating unjustified discrimination wherever it exists.

Stephen Pound: I entirely agree with the hon. Gentleman. My mind goes back to 19 December 2001, when he and I were in the same Lobby supporting the Bill that was introduced by Kevin McNamara. That Bill was slightly wider than the hon. Gentleman's Bill and aimed to amend section 3 of the Treason Felony Act 1948 and, inter alia, abolish the crime, punishable under treason legislation, for even suggesting that a republic might be a reasonable option or for criticising the monarchy in any way, shape or form. In fact, under the wording of the 1848 Act, it was treason to

"compass, imagine, invent, devise, or intend to deprive or depose",

which is a pretty wide net.

When the hon. Gentleman and I voted on that occasion, the Tellers for the Noes were the hon. Member for Aldershot (Mr. Howarth) and the right hon. Member for North Antrim (Rev. Ian Paisley). The right hon. Gentleman has, it cannot be denied, mellowed—indeed, he has mellowed almost beyond all recognition. However, on 19 December 2001 he was still in the process of approaching mellowing. He decided that he would oppose Kevin McNamara's Bill on a number of grounds, one of which was that whatever we did in this country was not nearly as bad as what the Catholics did in Spain.

David Howarth (Cambridge) (LD): Is that a good argument?

Stephen Pound: It is an interesting argument, although I am not entirely sure that it appeals to me. Apparently, in Spain there is a requirement that members of the royal family be members of a particular house, and that house is predominantly Roman Catholic.

The right hon. Member for North Antrim also referred to the Williamite revolution settlement that has served the nation so well, although I would perhaps resile from uncritically approving the Williamite revolution settlement. He then said, in effect, that were the succession aspects of Kevin McNamara's Bill to be passed, they would cause chaos and crises in the great houses of Europe. No other conversation would be had, from the grand duchies to Luxembourg—I think that even San Marino was prayed in aid.

The number of people supporting the right hon. Gentleman in the Lobby that day was 32. The number of people in the other Lobby, opposing him and supporting Kevin McNamara, was 170. Incidentally, it is a great shame, reading the list of the Ayes, to see that some 30 or 40 former right hon. and hon. Members who voted are no longer in this House, for various reasons—some of them, sadly, are in the House of Lords.

A great discussion took place on that occasion. One fundamental point that we returned to over and over again—often in coded language, although sometimes in less than coded language—was whether a Roman Catholic owes fealty, duty or loyalty to the Holy Father or to the head of our country, the monarch, Her Majesty. As with I would hope, every other loyal Roman Catholic, there would be no question about that for me. I recognise, respect and have massive admiration for Her Majesty as the leader of our country. There is absolutely no question

about that, yet the point was raised over and over again, as if we were some devious, black-clad, neo-Jesuitical fifth column that was infiltrating the body politic, waiting for the very moment when we could leap from behind the arras and say, "Queen Mary is back! Light the bonfires!"

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab) *rose—*

Stephen Pound: On that point, I will happily give way.

Mr. Slaughter: I am listening intently to my hon. Friend and neighbour, and I do not wish to drop him in it, but while I was looking up this matter on the BBC website today, the following story came up:

"Stephen Pound MP, one of several Labour backbenchers who support the aims of Republic, told the BBC News website"

that although

"the Queen had 'played a blinder'...'When the present Queen, God bless her, dies I think the Royal Family will implode in on itself anyway'".

There seem to be some intimations of the gunpowder plot.

Stephen Pound: Fortunately—I associate myself with the words of the hon. Member for Gainsborough—we have apologised for the gunpowder plot. People must realise that the origins of the gunpowder plot were not in the Roman Catholic Church in Rome or in this country, but that it was all the fault of the war in the Netherlands at that time. Guido Fawkes would have been called a freedom fighter in other times.

It would be impossible for me to claim the normal defence for what I said all those years ago, which is that I was but a callow youth—I was certainly shallow. Perhaps I have moved on a bit, and perhaps the discussion has, too.

There have been so many occasions in our nation's history when the fear of Catholicism has manifested itself not just in genteel debate and discussion but in blood and death on the streets. We will not go back beyond the papal bull of 1570, which is in many ways the starting point, but let us think of the popish plot, as it was then called. Titus Oates, a figure who is often not mentioned in history—his name is well known, even if he is not often discussed in detail—was born in 1649, the year of the execution of Charles I, or Charles the Martyr. As we know, Titus Oates was responsible for a double perjury that led to the execution of some 15 Catholics, including the Archbishop of Armagh.

Oates was a man, incidentally, with a rather extraordinary past. He started off as an Anglican priest and, after an unfortunate incident involving accusations of sodomy in Hastings, he was appointed as chaplain to the good ship Adventurer, where sadly there was a further accusation of sodomy—

Mr. Deputy Speaker: Order. I trust that the hon. Gentleman is about to tell the House how that relates to the Bill.

Stephen Pound: Despite those two accusations, Titus Oates was employed by the Duke of Norfolk as an Anglican chaplain. As we know, he subsequently went to Valladolid where he retrained as a Jesuit. He returned to this country and uttered the most foul libels and lies that led to the death and execution of innocent Catholics.

Mr. Leigh *rose—*

Stephen Pound: On the subject of innocent Catholics, I give way to the hon. Gentleman.

Mr. Leigh: That story is relevant because Titus Oates was a Government stooge—a bit like a Government Whip—was he not? He was doing the dirty work of the Government.

Stephen Pound: To imply that a Government Whip is in any way a Government stooge is outrageous. The scale of remuneration is entirely different. We should not forget that Titus Oates received an annual allowance of £1,200. Perhaps Government Whips get that much—I do not know. That stipend was removed when James II—the great King James—came to the throne. When King James sadly left these lands, it was reinstated. We should not forget that King James, under the noble, generous and warm-hearted Judge Jeffreys, ordered Titus Oates to be pilloried and whipped, not once but annually, immediately outside this building in New Palace Yard, where he was also to be pelted with eggs and to carry a sign saying that he was a shame to mankind.

My point is that someone who was so demonstrably and risibly a perjurer, with such an extraordinary background in Hastings and the Royal Navy, managed—in the company of a man called Israel Tonge, who was an equally inflammatory pamphleteer—to persuade the nation to execute Catholics on the grounds that they might possibly represent a threat to the nation.

If Titus Oates managed to kill some 15 Catholics, Lord George Gordon, at the time of the Gordon riots in the late 18th century—well known to everybody who has read "Barnaby Rudge"—was responsible for the death of about 450 people. That brings us fairly up to date. Although Lord George Gordon sat in the upper House—

Mr. Deputy Speaker: Order. We have heard about Titus Oates at some length; we do not want to hear too much about Lord George Gordon—*[Laughter.]* Seriously, the hon. Gentleman ought to come more directly to the content of the Bill.

Stephen Pound: You are entirely correct, Mr. Deputy Speaker. The point that I was trying to make is that I detect in the discussion about this Bill a visceral fear. Even though the Gordon riots were in the 1780s, they still resulted in people's death. Although, as we all know, he converted to Judaism and went to live in Birmingham, people still died as a result of his actions.

Andrew Mackinlay: A few moments ago, my hon. Friend referred to a Duke of Norfolk, but the current Duke of Norfolk is the Earl Marshal of England and the principal master of ceremonies for the coronation and so on. Of course, he is a hereditary Catholic. Again, it comes back to the point made by the hon. Member for Gainsborough (Mr. Leigh), which was that Catholics are facilitating all the rubrics, traditions and ceremonies of the monarchy and the Church of England.

[Andrew Mackinlay]

The Earl Marshal of England—the Duke of Norfolk—is a Catholic and carries out all his functions. He even instructs the Lord Chancellor on how to move backwards when he hands the speech to the throne.

Stephen Pound: Again, I am grateful. Anyone who can inform the House of the precise details of the reverse perambulation of the Earl Marshal—

Andrew Mackinlay: No, the Lord Chancellor.

Stephen Pound: I am sorry. Anyone who can inform the House of the precise details of the reverse perambulation of the Earl Marshal accompanied by the Lord Chancellor deserves credit.

Mr. Straw: I could.

Stephen Pound: I acknowledge my right hon. Friend's sedentary intervention.

Let me bring the matter more up to date. John Henry Newman, Cardinal Newman, who might soon be canonised, famously stood trial in this country in the Achilli trial. The judge directed the jury not to believe a word that the then Father Newman said, on grounds that, as a Roman Catholic priest, he was incapable of telling the truth. The jury followed the direction of the learned judge and found the then Father Newman guilty. A very large fine was imposed, which was then paid by public subscription, which enabled him to buy the Birmingham oratory. That is another story.

I am trying to say that there is still a visceral fear. I have talked about the 17th, 18th and 19th centuries. In our own century, there have been such examples. One remembers Pastor Jack Glass, who is no longer with us. He was a man of the most appallingly inflammatory views and was utterly convinced that there was a papist conspiracy to somehow gnaw away at the foundations of our democracy and our monarchy. Above all, if there is one thing that loyal Catholics can say today, it is that by seeking to correct this injustice and to rebalance the world in which we live, we are not in any way seeking to criticise Her Majesty or any institution of the monarchy.

The various debates on this subject have been educational. For me, one of the most interesting was on 14 January 2005, when Lord Dubs introduced his Succession to the Crown Bill to the upper House. The extraordinary thing about that Bill, which was described by Lord Dubs as a very modest Bill, was that it was not supported by the then Lord Chancellor, as has been mentioned, but was supported by the then Bishop of Worcester, who is no longer in post and who said that there would be no problem whatsoever with the supreme governor of the Church of England not being a communicant Anglican. There was something of a spat between various bishops, including on the rather knotty question of why the wives of bishops who sat in the House of Lords were not recognised in their roles and whether there should be some title for them. A long discussion was held on whether such a Bill should be a private Member's Bill or a Bill dealt with in Government time.

Interestingly, however, no real argument was sustained in that place. The Earl of Mar and Kellie—I do not think that he had been present in 1701, but certainly one of his kinsmen had—explained precisely the background to the legislation, why it was as it was, why it was no longer applicable or relevant, and why it no longer had a purpose in a modern democracy.

My hon. Friend the Member for Thurrock (Andrew Mackinlay) may have trespassed on your patience, Mr. Deputy Speaker, by imagining for the benefit of the House that he knew the intentions of Her Royal Majesty. I would not begin to do so, but I do find it a shame that we are not able to get some indication from the royal house of its attitude to this matter. In the absence of such an indication, however, I think that we can give the information regarding the emotions of this House in the matter. I do not think there can be anyone in the House today who does not feel that this is both the time and the place for change.

Dr. Evan Harris: According to the House of Commons Library paper, during the debate on Lord Archer of Weston-super-Mare's Succession to the Crown Bill, Lord Williams, who I think was then the Lord Chancellor, told the House that the Queen had herself been consulted about the provisions, and that on the gender issue she had indicated no objection. He said:

"I should make it clear straight away that before reaching a view the Government of course consulted the Queen. Her Majesty had no objection to the Government's view that in determining the line of succession to the throne daughters and sons should be treated in the same way. There can be no real reason for not giving equal treatment to men and women in this respect."—[*Official Report, House of Lords*, 27 February 1998; Vol. 586, c. 916.]

We have heard what Prince Charles himself has said, on the record, about wanting to be the defender of faith, not the faith. That suggests a relatively relaxed attitude to some of the issues.

Stephen Pound: I entirely understand the hon. Gentleman's point, but I am still reluctant to enter too much into interpretation. I appreciate that Lord Williams of Mostyn made those comments at the time, but it was a while ago, and I have no way of knowing whether that is the current view. The hon. Gentleman's point about His Royal Highness the Prince of Wales, however, is absolutely correct. His Royal Highness has indeed said that he wishes to be defender of faiths rather than fidei defensor, and I think that that is an indication. However, I am not entirely sure that we can contemplate legislating on the basis of how we assume that someone else may or may not be thinking, although I recognise that an indication was given and that it was read out in the upper House.

During the debate on Lord Dubs's Bill, it was noted that the present succession legislation had been described as

"an outdated piece of religious bigotry".—[*Official Report, House of Lords*, 14 January 2005; Vol. 668, c. 499.]

Lord Dubs rather hoped that by introducing his Bill he could repeal what he considered an outdated piece of religious bigotry. It certainly was religious bigotry—there can be no doubt about that—and we can understand why. We can understand what the threat was perceived to be in 1688. We can understand why the Act of Settlement produced the consequences that it did, just as we can understand why the treaty of Limerick in 1690 had its effects. What we cannot do—and no one can make a valid, coherent or logical case for it—is continue that piece of religious bigotry in today's world.

I entirely accept that the 17th century, like the 16th century, was a time of febrile imaginings, with spies and counter-spies and plots and counter-plots. There was a spirit of danger, fear and indeed war everywhere. Even Samuel Pepys could be identified as a secret papist by—oddly enough—Titus Oates, although Samuel Pepys escaped. I can understand why, at that particular time, when the nation was in danger, when there was a fear of a foreign power which happened to be Roman Catholic, Roman Catholicism represented a threat to the nation. However, I can think of no Catholic nation that is currently seeking to take arms against us. I see no massed armies beneath the blue flag of Our Lady, massing on the other side of the channel. Possibly in Gainsborough, but certainly not on the other side of the channel.

Andrew Mackinlay: I hope that my hon. Friend will not take this unkindly, but may I ask him a question?

Stephen Pound: Of course.

Andrew Mackinlay: Is he trying to talk this Bill out?

Stephen Pound: Of course I am not. I am a strong supporter of this Bill. If I were to criticise it in any way, I would do so merely from the point of view that I would have preferred it to come from my own Front Bench.

Andrew Mackinlay: Yes. So would we.

Stephen Pound: I make absolutely no secret of that. I am certainly not trying to talk the Bill out, and in view of my hon. Friend's strictures, I will shortly bring my comments to a conclusion.

If Members read the report of the House of Lords debate back in January 2005, they will see that virtually every question that a person could ask about the relevance of this Bill is answered, from the theological to the practical to the constitutional to the legal. All are answered. So we find ourselves left with an extraordinary conundrum: why on earth we do not have a piece of amended legislation with which we could all be comfortable? Why on earth do we still have a residual piece of legislation that reflects the bigotry of a bygone age, and why is it still the case today, although Roman Catholics may be as relaxed as the hon. Member for Gainsborough suggested—I think he used the word "horizontal" to describe some of them—that many of us are deeply and bitterly aggrieved by what we still see as a profoundly blatant form of discrimination?

I have no particular desire for my young daughter to marry any of the royal princes, and I do not think that she has any matching desire, but the fact remains that for Roman Catholics to be told not only that they cannot become the monarch of this country but that they would negate the right of any legitimate heir to the throne to become the monarch is a double discrimination that is totally unacceptable. Surely, if there is one thing that we can all say with one voice, it is that it is utterly impossible to justify such a situation in this day and age.

That is not the sole aim of the Bill, however. The hon. Member for Oxford, West and Abingdon also refers to primogeniture. During the debate in the House of Lords, a concept was mentioned that was entirely new to me: something called ultimogeniture. I had never heard of it, but apparently it is the principle whereby the younger son remains at home and looks after the parents. Eventually he, rather than the elder son, inherits the title. According to this principle, the elder sons and daughters go out and make their fortune. What happens if another son is born I do not know. The fact remains, however, that as we heard from the hon. Member for Oxford, West and Abingdon, the present principle of primogeniture has given us the system whereby Princess Anne is 10th in the line of succession when, according to my calculation, she would otherwise be fourth. That is still a long way above the hon. Member for Gainsborough's son Benedict, but it is certainly far, far closer to the throne. Can we really justify—on the basis of the fact that we have a marvellous monarch, widely admired and widely respected, who happens to be female—a system that prevents the Crown from passing to the eldest child, regardless of whether that child is a boy or a girl? That cannot be defended, which another reason why I support the Bill.

Some Members may feel that I have been, if not chippy, then a bit over-sensitive about the issue of Roman Catholics and their place in our civic life. Especially in this building, which was designed by a Roman Catholic who was opposed by many people in this country for being a Roman Catholic, we have to recognise that Catholic emancipation is a fairly recent issue, whose relevant dates are not just 1828 and 1832, but, as we have heard, as recent as this century. It is an issue for us today and, as has been widely said, this country will not be a good place for any of us to live in until it is a good place for all of us to live in.

I do not say that the disbarment of Roman Catholics from the line of succession somehow impacts so negatively on Roman Catholicism in this country that we cannot thrive, as we do, and we cannot expand, as we do, and we cannot express the confidence in our faith that we do, but it is still there as a mark and indication that, no matter how good we may be or how loyal we may be, and no matter how much we may now fight for and serve our country, and no matter how much we may sit here as Members of the legislature of our country, there is one key area from which we are barred, and that happens to be the very apex of the constitution that we serve and in whose Parliament we sit. That is the point that riles; that niggles; and that affects even the relaxed, laidback Roman Catholics of this country, and it is a point that worries me deeply.

I recall the accusation of my hon. Friend the Member for Thurrock, and I realise that a number of other Members wish to speak, so although I could say more, I will draw my remarks to a close by repeating what I said at the beginning: Catholics are good enough to be ruled; we should be good enough to be rulers. I wish the Bill a fair wind and Godspeed. It is overdue, it is timely and it is the right Bill for this House to consider.

11.51 am

Mr. Henry Bellingham (North-West Norfolk) (Con): I congratulate the hon. Member for Oxford, West and Abingdon (Dr. Harris) on his success with the Bill, and I would also like to declare an interest: I do not have a child who is anywhere in the line of royal succession,

[Mr. Henry Bellingham]

but I am the Member for North-West Norfolk and one of my leading residents—my leading resident—is Her Majesty, who has a home at Sandringham.

The hon. Gentleman mentioned that he was very pleased that Her Majesty had consented to place her prerogative and interest at the disposal of Parliament for the purpose of this Bill, but I urge him not to get too carried away, because Erskine May says:

"The government's usual practice is to advise the granting of consent even to bills of which it disapproves. The understanding is that the grant of consent does not imply approval by the Crown or its advisers, but only that the Crown does not intend that, for lack of its consent, Parliament should be debarred from debating such provisions. It is possible for consent to be granted by the Monarch but for Royal Assent to be withheld. The consent of the Monarch does not necessarily reflect the Monarch's own personal view."

Therefore, I ask the hon. Gentleman not to get too carried away when he says—as he has done twice—that Her Majesty consents to the Bill. Obviously, what is needed is a long period of consultation.

The hon. Gentleman must be quite frustrated and angry with Her Majesty's Government—but, on the other hand, he might not be. He might be quite chuffed that his Bill has received such an extraordinary amount of publicity over the last 24 hours. I welcome the Lord Chancellor and Secretary of State for Justice to his place and apologise for the absence of my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve), but we were told earlier this week that today's business would be handled by the very capable Under-Secretary of State for Justice, the hon. Member for Dewsbury (Mr. Malik). However, something has happened in the meantime. The Prime Minister's visit to south America has gone badly wrong; there has also been horrendous news regarding the shortfall in the Government's recent gilt sale; and now there is every likelihood that next week's G20 summit could end up as an embarrassing shambles. Therefore, I suggest that some spotty, swivel-eyed spin doctor in No. 10—in the bunker—has come up with a brainwave to provide some diversionary headlines and his great idea was to hijack the good doctor's Bill. He has certainly succeeded, because as my hon. Friend the Member for Gainsborough (Mr. Leigh) pointed out, there are headlines in every single paper: "Revolution at the Palace" in the *Daily Mail*, and "Royals could marry Catholics" in *The Daily Telegraph*.

The Government have therefore certainly succeeded in diverting headlines, but what a way to run a Government. Surely we could have had a proper statement from the Lord Chancellor and Secretary of State. After all, he was in the House earlier this week making a pretty lightweight statement on the Green Paper, "Rights and Responsibilities". I cannot, in fact, remember whether it was a Green Paper or a White Paper, but it was certainly not a big deal, so he could easily have used that occasion to make a statement on this matter. Such a serious issue should not be dealt with by the Government with a knee-jerk response on the back of an envelope, and I almost feel for the Lord Chancellor, who has been treated by the Government as a bit of a poodle.

Lynne Featherstone (Hornsey and Wood Green) (LD): Is the hon. Gentleman aware that not long ago I referred the case of Lady Louise and her brother to the Equality and Human Rights Commission, the order of succession having been reversed when the younger brother was born? That, too, was put to the Government and it made the front page of *The Sunday Times*, on which basis they said, "Of course we agree; it will happen, possibly in a fourth term." Two weeks later, they published the exact opposite and resiled from that position.

Mr. Bellingham: I am grateful to the hon. Lady for reminding me of that episode. The whole debate on this issue has been characterised by the Government looking for quick headlines. I would far rather they looked to have a proper consultation process, with a view to introducing a Government Bill at some stage in the future.

The Opposition broadly support much of the Bill's content; indeed, my hon. and learned Friend the Member for Beaconsfield and his predecessor, my hon. Friend the Member for Arundel and South Downs (Nick Herbert), have both said that the Opposition want to work with the Government on an all-party basis to find a way forward. However, we feel strongly that what is needed is a consensual approach involving all interested organisations and, indeed, countries.

The hon. Member for Oxford, West and Abingdon pointed out that 15 Commonwealth countries have the Queen as Head of State, but what he did not tell the House was that 16 overseas territories have the Queen as the Head of State—they are overseas territories of Great Britain and Northern Ireland—as do the Channel Islands, the Isle of Man and the devolved Administrations of the countries of the kingdom, Scotland, Wales and Northern Ireland. As my hon. Friend the Member for Gainsborough (Mr. Leigh) said, it is most likely that all their Prime Ministers and Governments would consent to this, but would it not be grossly discourteous not to consult them properly as part of a much more wide-ranging exercise?

On clause 2, we agree that the time has come for Roman Catholic consorts to be able to marry heirs to the throne.

Andrew Mackinlay: I think that the hon. Gentleman is wrong about the overseas territories and the overseas dependencies, because they are precisely that—territories and dependencies of this United Kingdom Parliament. Scotland is a separate kingdom and there is a powerful case for its legislature and Executive to be consulted. It might be seen as dancing on the head of a pin, but we need to get our constitutional definitions correct. It is a matter for here and the countries where the Queen is Head of State, and it could be argued that it is also a matter for, exclusively, the Parliament of Scotland, because Scotland is the kingdom of Scotland.

Mr. Bellingham: I am grateful to the hon. Gentleman, who made an interesting speech and is, without doubt, an expert on this subject. In the world of realpolitik, it would be inconceivable that the Government of Bermuda, the Government of the Falkland Islands or the Government of Gibraltar would not be properly consulted; that would be a gross discourtesy. If we are serious about looking after those overseas territories and cherishing the role that they play, we should certainly consult them properly and with due consideration.

As my hon. Friend the Member for Gainsborough pointed out, it is ridiculous that the heir to the throne can marry a Hindu, a Buddhist or a Muslim with impunity but there is an historical bar to any heir to the throne marrying a Catholic. That provision should not stay on the statute book and the time has come to amend the Bill of Rights, the Act of Settlement and the other legislation that goes with it. I also feel that the Royal Marriages Act 1772, which, after all, is the Act requiring the descendents of George I to seek the consent of the monarch before marrying, is outmoded and out of date. As the hon. Member for Thurrock (Andrew Mackinlay) pointed out, it was the cause of the serious problems in 1936, because it precipitated the requirement for a separate one-clause Act—His Majesty's Declaration of Abdication Act 1936—which disapplied the 1772 Act to the heirs of King Edward VIII; he then became Duke of Windsor. It is logical to repeal that Act, and we are very content for that to happen.

Clause 1 allows for female succession. I share what the hon. Member for Oxford, West and Abingdon said about the Princess Royal; she is a tireless worker, who sets a truly remarkable example to the rest of the royal family, and we should be incredibly proud of her. However, I do not think that the issue is quite as simple as he pointed out. There would be other—perhaps unintended—consequences that we need to consider.

For example, consider the UK peerage. Hon. Members may sneer and look aghast, but I remind them that there are still 92 Members of the House of Lords who are hereditary peers, as a consequence of the Cranborne compromise. The Government said that those peers would stay there until stage two of House of Lords reform. Well, we have been waiting 10 years for stage two and there is no sign of it on the horizon. It is unlikely to happen before the next election, so there is every possibility that those 92 peers will remain in the House of Lords for the time being.

Some UK peerages were created with a special female remainder. Some were for one generation, probably because the new peer only had daughters, but some of the Scottish peerages have a special female remainder in perpetuity. Then we have baronetcies, which by statute are always inherited by the eldest son. Clause 1 makes sense, and we support the spirit of it, but many consequences that would flow from it need to be considered very carefully.

Clause 1 obviously has no immediate relevance, but it could be relevant when Prince William or Prince Harry gets married. It is therefore important that the monarch and her family are properly consulted on the contents of clause 1, in the context of a much broader process.

Andrew Mackinlay: This is an important point, because an awful lot of angst and irritation was caused in Sweden—apparently the King of Sweden was very aggravated—when the Parliament retrospectively altered the law. That is why the hon. Gentleman is right: we need to make the changes now, rather than when Prince William perhaps has a daughter followed by a son. In Sweden, it was done after the children existed.

Mr. Bellingham: The hon. Gentleman is getting a bit carried away. I am not suggesting that we do it right away, but if we do it, it should not be retrospective. It should also be in the context of a much wider consultation process, into which the monarch is properly drawn.

I am pleased that the Bill in no way impacts on the establishment of the Anglican Church. Call me an old-fashioned Anglican or a traditionalist, but I feel strongly that the established Church is one of the foundations of our constitution. It is one of the key building blocks. *[Interruption.]* I shall overlook the sedentary remarks by the hon. Member for Ealing, North (Stephen Pound) who cast aspersions on one of my less infamous ancestors—*[Interruption.]* Well, there were others who were infamous, but the one in question was a criminal—

Mr. Straw: As the forebear to whom the hon. Gentleman refers murdered a Prime Minister, could he explain how, relatively speaking, his other forebears did worse things?

Mr. Bellingham *rose*—

Mr. Deputy Speaker: Order. Perhaps I can save the hon. Gentleman embarrassment about his family by suggesting that we come back to the Bill.

Mr. Bellingham: I had a ready reply, but I will take your strictures into account, Mr. Deputy Speaker, and resist giving the House the details.

If we remove one of the building blocks haphazardly, all sorts of unexpected consequences could result. In any case, the Church of England is in no fit state to take on this debate, because morale is low, congregations are falling, churches are crumbling, and a lot of money needs to be raised to pay for the repair and maintenance of cathedrals. One of the reasons why Church morale is low is the fact that leadership is distinctly lacking.

Dr. Evan Harris: Before the hon. Gentleman further talks down the Church of England—

Mr. Bellingham: It is my Church.

Dr. Harris: Indeed, and the hon. Gentleman therefore has every right to talk it down, but I urge him to consider that the Church would grasp with both hands the opportunity afforded by the Bill to deal with what would happen if Prince William were to marry a Catholic, given the problems that that would cause in the future if there were a marriage to a divorcee or even a civil partnership. The Church of England should grasp the idea of expanding the range of acceptable spouses or partners for someone who is to be their supreme ruler. I do not see why that should be any bar to the Church of England accepting this Bill.

Mr. Bellingham: I do not disagree with the hon. Gentleman. I said that it was a good thing that the Bill would not precipitate the disestablishment of the Church.

I wish the bishops in this country would stand up and put a stronger case for Anglicanism. All too often, they take the easy way out and, rather than stand up for hard-pressed individuals who are being persecuted by the state, they walk by on the other side. As for speaking up for basic Christian beliefs, all too often, all we hear is a deafening silence. It seems to me that too many bishops are overcome by political correctness and a

[Mr. Bellingham]

feeling of guilt about saying anything that might remotely cause offence to minority religions, and they are obsessed with multiculturalism.

There are honourable exceptions, however—two quite remarkable bishops. I pay tribute to the Archbishop of York, John Sentamu, and to the Bishop of Rochester, Bishop Nazir-Ali. Those two great men have consistently stood up and publicly supported individuals who are being persecuted by the public sector.

Andrew Mackinlay: I am straining to understand where the hon. Gentleman's comments are taking us. When I addressed the House, I stayed within the confines and the footprint of the long title of the Bill. No reference is made and no construction can be put on the Bill to suggest that it would alter the establishment of the Church of England. With respect, I say to him that that is irrelevant to the Bill, as is succession to peerages and baronetcies. Arguably, that should be addressed, but such matters are not on the face of the Bill and the Bill could not be amended to include them. What I suggested is possible within the constraints of the long title.

Mr. Bellingham: The hon. Gentleman has made an excellent bid for the deputy speakership. Mr. Deputy Speaker decided not to call me out of order—

Mr. Deputy Speaker: Order. It was only a matter of time.

Mr. Bellingham: I shall make no more remarks about the bishops, other than to say that the two truly remarkable men I mentioned have done so much for the Church and set such a formidable and extraordinary example that I hope and pray that other bishops will follow in their footsteps. I hope also that the Church will take courage from their work and build up its self-confidence, so that when we discuss those issues, it will be more decisive and show more determination and clear-headedness in its approach.

Mr. Leigh: My hon. Friend mentions the Bishop of Rochester. I hope that he will buy a book that is to be published next week, "The Nation that Forgot God", to which I am a contributor, with the Bishop of Rochester—

Mr. Deputy Speaker: Order. We do not want to move into the realm of commercials, either.

Mr. Bellingham: I shall certainly go out and buy a copy with great alacrity, because the Bishop of Rochester is a remarkable man.

To conclude my remarks on this part of the Bill, given the Church of England's present state, it requires new leadership and a new sense of purpose. With those things, I suggest it will be able to meet the vital challenges that will come before us in the future.

There is much to be recommended in the Bill and there is no question but that there are powerful arguments in its favour, but I have to ask the House: is a private Member's Bill the best vehicle to bring about a fundamental constitutional reform? There has been a lot of talk about how the Bill is only a few clauses long, but it deals with fundamental constitutional issues. I think what is needed is for the Government to publish a Green Paper setting out all the arguments in favour and explaining exactly how the comprehensive consultation process will work. We need to know how the Commonwealth countries and overseas territories will be brought into the loop, and how the monarch herself will be properly consulted.

My final concern is about priorities. Our country faces a really appalling recession. Some economists say that it is the worst for a generation. Other economists say that it is the worst since the 1930s. Last week, one economist said that it could be the worst recession ever. Our constituents face a torrid time in which unemployment, house repossessions, small business failures and violent crime go up. Debt levels are at an all-time high. The Government should be using all their energy, time and resources to combat the current crisis. I have every confidence that in a year's time, my party will have to sort out those challenges. In the meantime, this Government have to put their energy and effort into sorting out the current crisis. I do not want them to be distracted by arcane constitutional issues, however important they might be.

That is why I urge the Government to concentrate on trying to sort out the problems facing this country, and to get their priorities right. We will support them in this debate in future, and in the consultation process. We want to be involved on a consensual basis, and we obviously want resolution of the issues. However, I submit to the House that there are other priorities at the moment. I am quite certain that Her Majesty would expect nothing less.

12.11 pm

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): I came to the debate this morning with no settled intention of speaking, but having heard the eloquent testimony on the radio this morning of the hon. Member for Oxford, West and Abingdon (Dr. Harris) and the Deputy Leader of the House, I found myself in a genuine dilemma. I thought that I would, very unfashionably, come to listen to the debate, as we all have the liberty to do. I will make some brief comments on that. I am still not entirely resolved whether to support the Bill, for the following reasons. It is clear that some of the statute that the hon. Member for Oxford, West and Abingdon wishes to repeal is a piece of pure prejudice against women and, particularly, Roman Catholics.

Stephen Pound: The hon. Member for North-West Norfolk (Mr. Bellingham), speaking from the Opposition Front Bench, referred to the Bill as an arcane piece of legislation. Does my hon. Friend concur with that description?

Mr. Slaughter: I would, but I will come on to that subject in a moment. I wish to make some comments about the Bill and the legislation that it is intended to repeal. Prima facie, the cause is a noble one, and this is a straightforward Bill that seeks to remedy a piece of unjustifiable prejudice. I am a great admirer of the hon. Member for Oxford, West and Abingdon, and have supported many of the causes that have earned him the nickname "Dr. Death" in the Catholic press. On matters

such as animal experimentation, embryology and abortion law reform, I am firmly with him; I suspect that a number of Members who have spoken today are not, but that is a debate for another day. So why do I have doubts about the Bill?

Andrew Mackinlay: Spellar's come in!

Mr. Slaughter: I regard my right hon. Friend the Member for Warley (Mr. Spellar) as a source of great certainty in this world, and he provides great clarity on all matters. The Bill seeks to make changes that are no doubt worthy, but that will have an infinitesimally minor effect, and are of infinitesimally minor concern.

Lynne Featherstone: I find that quite offensive. It sends out a message, from the highest place in this land, that women are not equal with men. We in this Parliament should refute that absolutely.

Mr. Slaughter: I was referring specifically to the provisions that deal with the repeal of the Act of Settlement and other matters. I will read to the hon. Lady the quotation that I had in mind:

"His position"—

I shall say who he is in a moment—

"is that it is an anomaly he is sure will be repealed in the future.

It's not something that is top of our agenda. There's a lot of other legislation going through that would have far more impact on how the Catholic church operates in this country, such as the assisted dying bill and the human fertilisation and embryology bill.

While it is 'strange' that it applies only to Catholics, not to any other faith, that is more indicative of Britain's history than any kind of discrimination",

said the spokesman for Cardinal Cormac Murphy-O'Connor. I quote that not intending to be offensive or disparaging, but to show that the concern caused by the provisions that the Bill seeks to amend or repeal is not of the highest priority, even for those who would seem to be most affected by them.

Andrew Mackinlay: Cardinal Cormac Murphy-O'Connor is the head of the Roman Catholic Church in England and Wales. Primate Cardinal Keith O'Brien, who is head of the hierarchy of Scotland, is much more strident on the issue. However, it does not matter what the prelates say. We who are Roman Catholics find it deeply offensive that we are discriminated against in this way. That is deeply offensive, and my anger is not synthetic. I am angry about that. It would not be tolerated by anybody else.

Mr. Slaughter: My hon. Friend puts his case passionately, but the cardinal is entitled to his opinion as well.

Andrew Mackinlay: So is Keith O'Brien.

Mr. Slaughter: I agree with my hon. Friend that there has been a difference in reaction from different parts of different Churches and from different countries within the United Kingdom over time. Nevertheless, I have received only one piece of correspondence on the matter in the four years for which I have been a Member of Parliament. It is not the subject of café society debate in Shepherd's Bush or in Ealing.

I hear what hon. Members who feel strongly about the matter say, but in the passion of their arguments they have underestimated the difficulty of unravelling the constitution. When my right hon. Friend the Secretary of State replies, I expect he will deal with the issue in more detail, so I shall not spend a great deal of time on it. It is not simply a Government excuse or a way of doing nothing.

I shall read the House a quotation from the hon. Member for Arundel and South Downs (Nick Herbert), who said:

"Other countries where the Queen is head of state will be affected by these proposals, and lifting the prohibition on heirs to the throne from marrying Catholics is not straightforward as it raises broader issues relating to the established Church.

The government should publish a consultation document so that these matters can be debated properly and the Anglican Church and others can be consulted."

Stephen Pound: I am grateful to my hon. Friend for giving way. He is honourable and he is my friend. I know little of the café society of Shepherd's Bush, but I am not a woman, so I cannot feel the pain that women feel as a result of the existing legislation. He is not a Roman Catholic and, with respect, I do not think he understands the pain that is felt. The fact that it is very often expressed as a bruised acquiescence rather than a surging anger does not make it any less real.

Mr. Slaughter: I am grateful to my hon. Friend for making that point. It has been made by other hon. Members and hon. Friends. I began my remarks by saying clearly that the matter needs to be addressed at some point. The fact that there is near unanimity on that speaks eloquently. Also—this item led the news this morning—the fact that the Prime Minister has indicated it is the subject of ongoing discussions between the royal family, his office and the authorities means that this will happen—

Andrew Mackinlay: When?

Mr. Slaughter: In due course. However, I share the view expressed from the Opposition Front Bench that the change must be made properly.

Andrew Mackinlay: When?

Mr. Deputy Speaker: Order. The hon. Member for Thurrock (Andrew Mackinlay) has had ample opportunity this morning to put his case. It would be very helpful if he could stop chirruping from a sedentary position.

Mr. Slaughter: Unlike my hon. Friends the Members for Thurrock (Andrew Mackinlay) and for Ealing, North (Stephen Pound), I do not claim to be a great historian—

Stephen Pound: Yes you do.

Mr. Slaughter: Well I do, yes. However, my period ends with the restoration. In a spirit of full disclosure, I should say that I prefer the settlement of 1649 to that of 1688. My cards are now on the table. I do not wish to spend a great deal of time on the history, and I would be stopped if I did, but it is important, and for

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this reason: it shows the distance that we have covered and the journey that we have made over the past three centuries and more.

I shall read out a brief paragraph about the Act of Settlement from the "Oxford History of England". Discussing the passage of the Act that we now seek to repeal or amend, it says:

"Despite the hopes of Jacobites and republicans, settling the succession upon the House of Hanover encountered remarkably little public opposition; indeed, in the Commons only one MP spoke against it. Further, Catholics were once again explicitly debarred from the throne. The Bill passed both Houses without division, and as in 1689 urgency was again the order of the day. Nothing could more clearly show the continued commitment of parliamentarians to the Protestant succession and their willingness to break with strict hereditary rights. As in 1689, a foreign, Protestant King was deemed preferable to a Catholic one: 'it is better to have a prince from Germany than one from France.' It was not, however, altogether such plain sailing."

It goes on to mention that as a consequence of the passage of the Act of Settlement, and given that the legislature covered only England, Ireland and Wales at that time, Scotland, which still had its own independent legislature, resisted the matter

"as yet another example of English presumption, arrogance indeed imperialism. The call of Scottish independence was soon heard loud and clear."

So some things do not change all that much over the years. The net effect of that rebellion in Edinburgh was the Act of Union in 1707 and the loss of Scottish political independence—a decisive moment in the creation of a unitary state in Britain.

Stephen Pound: My hon. Friend will have noticed that King James II, a Roman Catholic, was supreme governor of the Church of England at that time. Does my hon. Friend agree that one of the reasons why the voice of Catholicism was so quiet in the House of Commons was that Catholics were not allowed in?

Mr. Slaughter: As always, my hon. Friend has a point and makes it well. What I do not know is who the one MP who objected was; more research will be needed to dig that up. Lest my hon. Friend impugn my motives, I should say that this all shows how far we have moved. This is a piece of pure history, and many of the statutes to which we have referred today are matters of pure history. I do not want to quote too much of the language; it has already been quoted this morning, and it is highly offensive. If it were used about any minority group, religion or race in statutes today, it would be considered beyond the pale—to use a slightly unfortunate allusion. However, it was the language of the time. However much we may want to carry on the Government's admirable history of opposing discrimination and legislating to do so, we cannot on a Friday morning unravel the whole of British constitutional history.

Stephen Pound: When Thomas Arne wrote the national anthem in 1745, he wrote three verses that are seldom sung; one of them rhymes "Catholics" with "knavish tricks". Some of it is extremely offensive. Those verses are not sung now—they have fallen into desuetude—but they should be removed from our national anthem. The fact that they are not observed does not make them any less real. Does my hon. Friend not feel that we need to tidy up this whole area, and that—

Mr. Deputy Speaker: Order. We should stick to the Bill before the House.

Mr. Slaughter: I am all in favour of replacing the national anthem with "Jerusalem".

I am not as concerned about the number of statutes that would be amended or repealed as about their centrality. We are talking about the Bill of Rights, the Act of Settlement and the Act of Union. Without proper constitutional consideration, we trespass on those at our peril. Despite the excellent steps that the Government have taken on constitutional reform, these have not been without difficulty—one need only look at the problems that have arisen in ridding the House of Lords of hereditary peers.

Dr. Evan Harris: Clause 2(2) would amend the Bill of Rights, which the hon. Gentleman feels is an example of something that would bring down the constitutional house. It says:

"in the paragraph starting, 'Upon which their said Majestyes did accept the crowne', omit the words 'or shall marry a papist' and 'or marrying'."

He says that those words are offensive, but they would not bring down any constitutional house but merely take out the offensive bits of the existing legislation. His point about its being a radical excision is not justified.

Mr. Slaughter: Let me make two points in response to that. First, there is much in the Act of Settlement—I will refer to that rather than to the Bill of Rights—that we would now find either otiose or offensive. Some years ago, *The Guardian* launched its own campaign to bring an action under the Human Rights Act to deal with this and other points. It highlighted the fact that the Act of Settlement says, in addition to the point to which the hon. Gentleman draws attention, that:

"All future monarchs must join in communion with the Church of England…The sovereign must promise to uphold the Protestant succession…The monarch must not involve the country in wars to defend the territory of foreign monarchs…No judges should be appointed by the monarch…Impeachment by the House of Commons is not subject to pardon under the Great Seal of England."

As soon as one begins to tinker with the constitutional framework—

Dr. Harris: On the Act of Settlement, the only proposal in the Bill is to take out the words,

"or shall marry a papist".

None of the other things that the hon. Gentleman is talking about are in the Bill, so there is no basis for him to argue that it has the wider implications he states. There may be another Bill out there that would do that, but it is not this one. He should save that argument for when another Bill comes forward.

Mr. Slaughter: With all due respect to the hon. Gentleman, he is being slightly naive in saying that he can put forward this proposal without any ramifications or consequences. Yes, it is true that one can take an approach whereby one picks off one by one the offensive elements of Bills that one does not like, but surely it is far better, as the Prime Minister has indicated, to do it in a comprehensive and constitutional way.

David Howarth: Will the hon. Gentleman tell the House what specific ramifications could result from taking out the words that my hon. Friend referred to?

Mr. Slaughter: I will come to that in a moment, but let my finish my point. Another provision in the Act of Settlement—that the monarch must not leave the country without the permission of Parliament—has been repealed, without any consequences. Last time the monarch declared war on Parliament, it was done from Nottingham—so that may not resolve the problem at hand. The hon. Gentleman is right that it is possible to take such steps; I am merely urging caution because the Bill would amend a number of fundamental Acts that are important to the constitutional integrity of this country.

Andrew Mackinlay: Just before my hon. Friend entered this House, we amended the provisions of the Bill of Rights of 1689 to accommodate the then hon. Member for Tatton, in order that he could pursue litigation in the courts that would otherwise have been subject to article 9 of the Bill of Rights. It is nonsense to suggest that we cannot tweak these things, because we have done so very recently in that respect.

Mr. Slaughter: If my hon. Friend has been listening, he will know that I am not saying that such things are impossible. This House can repeal whatever it wishes. I am urging caution because one may end up with unintended consequences if one takes such a piecemeal approach.

Actually, has this Bill not effectively already achieved its objective? The hon. Member for North-West Norfolk (Mr. Bellingham), rather uncharitably, referred to the Prime Minister's trip to South America. The hon. Gentleman may wish to reconsider that, and reflect on the fact that the Prime Minister's spending so much time among Catholic Heads of State has brought this matter to the fore. I saw the Prime Minister being given what I can only describe as a cuddle by President Lula of Brazil in the newspaper this morning.

Mr. Deputy Speaker: Order. I have difficulty seeing how that relates to the Bill. Could the hon. Gentleman concentrate on the contents of the Bill before the House?

Mr. Slaughter: I am most grateful to you, Mr. Deputy Speaker. Thank you for bringing me back to the second point that I was going to make in response to the hon. Member for Oxford, West and Abingdon.

I feel strongly that, for the best of motives, hon. Members have glossed over what may be unintended consequences of the Bill, and there are three. I have already effectively dealt with the first by referring to a number of pieces of legislation that are important and fundamental. Although they are perhaps in need of comprehensive assessment and possibly repeal, they are nevertheless the building blocks of a constitution that is robust in its execution, but fragile in its construction, and which came about because of a series of historical events some 300 to 400 years ago. To go back to the words of the hon. Member for Arundel and South Downs that I quoted earlier, there are implications of this Bill that go beyond the United Kingdom, which cannot be glossed over. Despite the fact that this is denied by the supporters of the Bill, there are also implications for the position of the Church of England.

We heard quotations from Professor Blackburn, who largely supports the line taken by the supporters of the Bill, and who would pooh-pooh the arguments about complexity. He is entitled to that view, and we should respect his opinion, but with regard to the possible effects on the legislative status of the Church of England and the monarch as head of that institution, he says:

"There is no doubt that at the crux of the whole debate about reforming the Act of Settlement is whether the country, and the political elite of the country, wishes to maintain the established Church of England. These two issues–reform of the Act of Settlement and disestablishment of the Church of England–are in truth, two sides of the same coin. Reform of the Act of Settlement and its related statutes would set in train an inevitable momentum towards disestablishment; and disestablishing the Church of England would automatically remove the rationale for the religious provisions binding succession to the Crown."

Stephen Pound: I do not want to accuse my hon. Friend of being disestablishmentarian, or even antidisestablishmentarian, but is he implying that the hon. Member for Oxford, West and Abingdon (Dr. Harris) is introducing the Bill not as a measure of Catholic relief and equality for women, but as some cunning stalking horse, or Trojan horse, for the disestablishment of the Church of England?

Mr. Slaughter: I would never ascribe base or hidden motives to the hon. Member for Oxford, West and Abingdon, although I notice that he is currently secularist of the year.

Dr. Evan Harris: It is only fair to Professor Blackburn to point out that the link he made concerned a provision that affected the Protestant succession and disestablishment, not the religion of the spouse of the monarch. If my Bill talked about allowing Catholics to be on the throne, as it were, as the monarch, that might be a point for academic discourse. The Bill would not do that, however, so it does not follow that even a debate on disestablishment would be started by its provisions. They fall far short of that, and the hon. Gentleman should not quote an academic in support of an argument that I am not making, and that the academic has not made.

Mr. Slaughter: I know what the hon. Gentleman is doing—he is trying to get his Bill through, as he is entitled to do. He has tried to draw it up in such a way that it curves a path between rocks that would otherwise lure it to its end, but I fear that he has had difficulty in doing so. He has made a good effort, and as I have said, I support the principles of what he is trying to do about not only religious discrimination but sex discrimination. I have voted for every measure against that that has come before the House, which my constituents welcome. The argument is about proportionality and the suitability of using the process of the Bill to achieve that end, and I am perfectly entitled to make my points about that.

However, I am not decided, and sometimes in the course of making such decisions we find out whom we are in bed with and who supports and opposes a Bill. There have been eloquent and passionate arguments in support of the Bill and few against it, and I am not arguing against it on its merits.

Stephen Pound: My hon. Friend is making the entirely valid point that there may be unintended consequences and an unanticipated read-across. Heaven forfend that we have to grapple with the Princess Sophia's Precedence

[Stephen Pound]

Act 1711. Surely we employ some of the greatest brains in the nation in the form of parliamentary counsel, and surely they, if no other, are more than capable of advising and assisting on the eventual form of a Bill such as this in order to avoid any disastrous unintended consequence.

Mr. Slaughter: I understand the frustration that has brought this Bill and previous Bills to the House. I have been a Member for only a few short years, and I am sure that there are Members present who have been trying to make similar changes to legislation for a longer period. This is not the first time that the Government have said that they support such changes, and there appears to be unanimity among the three Front-Bench teams that those changes are necessary. I hoped that if it was not possible to deal with the matter in this Parliament, it would be sufficient for the hon. Member for Oxford, West and Abingdon that the Bill had engendered publicity and received support and interest from the Prime Minister downwards, but it is clearly not sufficient.

I shall try to give the hon. Gentleman some comfort by saying that in my admittedly brief search for opponents of the Bill—this may be one of the faults of internet searching—I came up with a rather eclectic group of people including the Bishop of Winchester, the right hon. Member for Maidstone and The Weald (Miss Widdecombe), the comedian David Mitchell, who has been referred to, and last but not least the editor of the *Catholic Herald*. That is perhaps an unusual coalition of forces, and I should perhaps explain my rationale slightly further. It is only reasonable that the arguments against the Bill are expressed as we give it a fair hearing, because on merit I think that they are so shallow that they will end up helping to support the endeavours of the hon. Member for Oxford, West and Abingdon.

Stephen Pound: Could my hon. Friend help those of us who seem to be hearing in his words a new extension being built into the constitutional architecture, whereby legislation is no longer necessarily passed through this House but suggested here and echoed outside, and our role is simply to initiate it and stand back while forces outside carry it forward?

Madam Deputy Speaker (Sylvia Heal): Order. I think that our role this morning in this House is to discuss the Bill before us.

Mr. Slaughter: I shall have to reply outside the Chamber to my hon. Friend's very interesting, almost theological point.

Stephen Pound: In the cafés of Shepherd's Bush.

Mr. Slaughter: Indeed, in the café society of Shepherd's Bush, where I can often be found.

I do not know whether the Bill's promoter has read the previous debates on the matter, including that in the other place when Lord Dubs introduced such a measure. If the hon. Gentleman has done so, he will know that, unlike what is happening in this Chamber, some rather trenchant objections were made, including by the Bishop of Winchester, who claimed that it would separate the state from the Church of England and the Christian faith. I will not develop the bishop's argument because I do not agree with it, but it is nevertheless interesting that the prelate could advance that argument despite being a substantial advocate of closer co-operation between the Anglican and Catholic Churches.

I mentioned the right hon. Member for Maidstone and The Weald, who is not in her place, but she was quoted in the *National Catholic Register* last month as saying that the Bill is

"an attempt to impose secularization on the country... And it's a direct attack on the Church of England. I won't be supporting it, and neither will a lot of other Catholic MPs I know."

An observation was made that the opposition may have more to with the Bill's promoter than its content. However, I will not put words into the right hon. Lady's mouth.

The hon. Member for Oxford, West and Abingdon misquoted David Mitchell when he referred to him earlier. I shall correct the quote for the record. Perhaps the article in question, which appeared in *The Observer* in January, when the Bill was presented, is slightly less than serious. Mr. Mitchell said:

"The royal family, while nominally our betters, are in fact our captives and an interesting and profitable focus for media attention. It's as unfair as life; the royals can't escape and if you want to become royal, you basically can't. It's a more or less functional arrangement that no one would ever have had the wit to devise deliberately.

Which is why Liberal Democrat MP"—

he names the hon. Member for Oxford, West and Abingdon—

"Evan Harris's attempt to fiddle with it is so enervating. He wants to change the Act of Settlement whereby Catholics can't marry the sovereign and end the discrimination against female heirs to the throne. He thinks this will make the monarchy more fair. I suppose it will, in the same way that throwing some bread into the Grand Canyon will make it more a sandwich."

That is the quote.

Dr. Evan Harris: I did not misquote David Mitchell because I did not quote him—I paraphrased his argument. I do not know who was present earlier, but my point was not about making the monarchy fair, but about making our constitution fairer because that affects the people. I thought that the article was funny, but I believe that the argument was not strong, and the arguments of the right hon. Member for Maidstone and The Weald (Miss Widdecombe) are so weak that she is not even here to present them. There is a poor group of arguments against the Bill and I therefore urge the hon. Gentleman to support it.

Mr. Slaughter: I get closer with each of the hon. Gentleman's interventions. Who knows—in a few short minutes, I may be completely on board. I am closer than I was half an hour ago.

However, Mr. Mitchell is entitled to his view. He has a column in *The Observer* and therefore a greater platform than us—I doubt whether more than half a dozen people are listening to us today. Mr. Mitchell's point is:

"The monarchy is overwhelmingly, gloriously, intentionally unfair—that's the point. The defining unfairness is that you have to be a member of that family to be king or queen; fringe unfairnesses like their not being able to marry Catholics or men having priority in the line of succession are irrelevant in that context. And what's so fair about primogeniture, which Harris is not planning to touch, or the sovereign having to be Anglican,

which is also apparently fine? He wants to spend parliamentary time, mid-credit crunch, on a law aimed primarily at helping Princesses Anne and Michael of Kent. When will people get the message? If you want a fair system, have a republic, elect a president and live with"—

he makes a disparaging comment about the right hon. Member for Witney (Mr. Cameron), which I will not repeat—

"giving a speech every Christmas Day afternoon, bitter in the knowledge that you asked for it. Otherwise, we should stick with what we've got, rather than trying to tinker. No abdicating, no skipping Charles, no changing weird ancient laws. We get who we get because we'd rather live with the inadequacies of a random ancient structure than the inadequacies of one designed by"

the Prime Minister and the Leader of the Opposition.

I suspect that that view, although light-hearted, is one that many people in this country would accept, because they tend to accept the constitution, warts and all. I say that without in any way defending the scurrilous language in the various Acts; indeed, I wish it to be amended properly in due course.

Mr. Alan Reid (Argyll and Bute) (LD): I have been listening carefully to the hon. Gentleman's argument and would like to try to help him support the Bill. The quotation that he used earlier was about the use of the word "random", but the point about the Bill is that it seeks to remove something that is not random. The Act of Settlement writes into our constitution that the monarch cannot marry a Catholic. That is not random; it is deliberately written in. Although only a small number of people may be directly affected, the important thing is the message that the Bill would send to the country today, which is that discrimination against Catholics has no part in modern society.

Mr. Slaughter: Let me repeat—if the hon. Gentleman has been listening to my speech, he will have heard this—that nobody disagrees with that point. Nobody disagrees that we will move in the near future not simply towards the measures in the Bill, but—to use 17th-century terminology—to a more root-and-branch reform of the constitution. The evidence of the past 10 years is that even with a great reforming Government, as the Labour Government since 1997 have been, problems are thrown up. We tinker with such things at our peril, even if we do so for the best of motives.

The hon. Member for Oxford, West and Abingdon is no longer in his place, which is perhaps opportune, because the last opponent of the Bill whom I want to quote is one whom I do not really think he should bother with. The editor-in-chief of *The Catholic Herald* said, in the most disparaging terms—I will explain why I am reading this in a moment—that the hon. Gentleman,

"the Lib Dem MP nicknamed 'Dr. Death' for his creepy determination to make late-term abortions and euthanasia more widely available, now has a new cause: he wants to remove the ban on the heir to the throne marrying a Catholic.

You know something? Catholics don't want to be liberated from this constitutional discrimination by a politician who advocates an end to the requirement that any abortion requires the consent of two doctors, arguing that the 'procedure' can carried out by a nurse or even in the home.

I know I speak for many Catholics when I say that this man disgusts me. He is wrong about nearly everything, and wrong in a particularly nauseating fashion, too".

However, I do not want to continue reading that, because it is simple abuse.

Stephen Pound: As a Catholic, I have to say that if the hon. Member for Oxford, West and Abingdon (Dr. Harris) found me prostrate on the floor of Members' Lobby with blood spouting from an artery in great gouts, I would be grateful for his assistance and I would think about his rather extreme views afterwards. Surely we should not be damning the messenger in this case, when the message appeals to us all. Let me also say that not all Roman Catholics have such an utterly dismissive view of the hon. Gentleman.

Mr. Slaughter: I am grateful for my hon. Friend's intervention because it allows me to say again what an enormous fan I am of the hon. Member for Oxford, West and Abingdon. The reason why I read that passage was simply to show that bigotry is not dead in this country. I hope that the editor-in-chief of *The Catholic Herald* would not miss the irony that although he is attacking the Bill for purely bigoted reasons—that is, because it comes from the hon. Gentleman—he would no doubt support the measures, even if, as Cardinal Cormac Murphy-O'Connor has said, they are not high up the shopping list.

Madam Deputy Speaker: Order. May I once again ask the hon. Gentleman to confine his remarks not to the personalities, but to the principles of the Bill that is before us?

Mr. Slaughter: You have pulled me up short at exactly the right moment, Madam Deputy Speaker, so that I can draw my thoughts together and drive myself to a conclusion. I am now 80 or 85 per cent. on board with the Bill, but I like to be 100 per cent. on board or to have three lines under a Bill before I know exactly how I am going to vote. It is always nice to make a joke that the Whips get.

In conclusion, it is absolutely right that this private Member's Bill has engendered a huge amount of publicity. It is on the front pages. I know that those on the Opposition Front Bench suspect that there are motives for its being on the front pages, but I think that it is front-page news because it is a subject of genuine interest. That has achieved the Bill's aim by bringing the measure not only to this House but to public attention. Inevitably, when such issues are brought to one's attention, one reflects on the monarchy and its role, which widens the debate.

I see nothing wrong with that. It is not a matter for us this morning, but it would be churlish of us to seek to restrict the debate outside the House. As a republican, I have to say in all candid honesty that the Queen is a popular monarch and that the monarchy as an institution remains popular in this country. It is perhaps not as popular as is often reported in the popular press. As a consequence of this Bill, polls are showing that more than three quarters of the British public want the monarchy to continue, but when that question was asked only three or four years ago, while the overall majority fully supported the current monarch, less than 50 per cent. wanted to see the monarchy continue.

I suspect that despite some of the comments made this morning, the one thing that would ensure that the monarchy always continues is that all the proposed alternatives are less attractive. Sadly, but realistically, the proportion of the public who support a republican

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alternative stays stubbornly around the 20 per cent. mark. I do not think that the Bill will change that materially, as has been suggested by some of its advocates. I do not believe that most people's support for or opposition to the monarchy as an institution is based on whether we repeal or amend the Act of Settlement.

I tend to the pragmatic view that the House interferes with the institution of monarchy at its peril. That is certainly usually the view of the Government and the official Opposition. It is not—there is a slight irony here—typically the view of the Liberal Democrats, who used to be famous for their debates at conference about the abolition of the monarchy along with many other "rice and sandals" issues.

Madam Deputy Speaker: Order. This Bill is not about the abolition of the monarchy. I once again remind the hon. Gentleman to confine his remarks to the Bill before the House.

Mr. Slaughter: I apologise, Madam Deputy Speaker. That was a concluding peroration before I finally make my mind up about what to do. I did it only so that I could mention the fact that the previous Liberal Democrat leader, the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), relatively recently called for a "bicycling monarchy" and

"said it was 'time to start again' on the constitutional position of the Queen."

Madam Deputy Speaker: Order. The hon. Gentleman has had some liberty. I ask him now either to conclude his remarks or to confine them to the content of the Bill.

Mr. Slaughter: I am grateful for that guidance, Madam Deputy Speaker.

I shall conclude simply by saying that I realise that I am speaking from a minority position as I believe that this country has a future of a non-monarchical nature and that we should not necessarily drive the Bill through today. However, along with those who have spoken from all parties, I agree that the issue raised by the Bill is important.

Stephen Pound: Does my hon. Friend agree that when Michael English promoted one of the first succession Bills in 1981, he had virtually no support in this House? There has been some movement and some progress. I realise that interventions are bringing my hon. Friend on to the side of the godly, and I hope that he will accept this one as one more step along the way.

Mr. Slaughter: Indeed I do. I think that that, along with the publicity and the overwhelming support for the Bill, in contrast to the eccentric opposition to it, should be the comfort that the hon. Member for Oxford, West and Abingdon takes from this process. However, one of the facts that we have to live with is that constitutional change takes a long time in this country. That may not be for bad reasons. It may be that careful consideration, repeated debates, the building up of a groundswell of support, the engagement of those on Government and Opposition Front Benches, and a move towards what is perhaps a more comprehensive reform of discriminatory and obsolete legislation is the better way to go.

I will support the Bill with my heart, but I do not feel that I can support it with my head.

12.55 pm

David Howarth (Cambridge) (LD): It is one of the unwritten rules of Fridays that the more one supports a Bill the less one should say. I shall therefore speak briefly, because I strongly support the Bill.

The only thing that I shall say about the speech that we have just heard from the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) is that it seemed to combine, in a very unstable way, the argument that this measure should be opposed because it might block the way for more radical reform later and the argument that it sets a dangerous precedent and might actually lead to that reform itself, thus producing an overall argument of breathtaking incoherence.

The main point of the speech of the hon. Member for North-West Norfolk (Mr. Bellingham) was that he felt that the Government should do more about the economy, rather than thinking about a measure of this sort. In fact, experience seems to show that the more the Government do, the worse the economic crisis becomes, so I think that, rather than doing any more to make things worse, it would be better for them to concentrate on measures of this kind.

The Bill contains three proposals, all of which I strongly support. The first is to end sex discrimination in the order of succession; the second is to end the disabilities that are attached to members of the royal family who marry Catholics; and the third is entirely to repeal the absurd Royal Marriages Act 1772. No substantive reasons have been given for not doing any of those things. The sex discrimination in the order of succession makes no sense whatsoever, given that we abolished feudalism three or four centuries ago, and if there is a lesson of history to be learned from the monarchs that we have had in recent centuries, it is that, on average, the public seem to be served much better by our queens than by our kings.

The only objection to the measure that has been advanced is a procedural one to do with the idea that the 15 Commonwealth member states that share our Head of State might block it. I do not see how that could happen. Many of the countries concerned are far more progressive than we are on the matter of sex equality. That is historically the case as well: I believe that New Zealand was the first country to give women the vote, so it hardly seems likely that it would block the measure.

As for the Pandora's box idea that was mentioned by the hon. Member for Thurrock (Andrew Mackinlay), the notion that opponents of the monarchy in the Australian Parliament would stand up to block its assent to the measure on the grounds that they did not want to see equality for women is too bizarre to contemplate. First, they will not do it. Secondly, they probably cannot do it, because the Statute of Westminster probably does not have the legal force that has been claimed for it. It is a treaty obligation, but it is not a domestic legal obligation in this country.

There are various ways in which other countries could respond. They could say, "You get on with it: we do not care what you do." They could also say, "You get on with it: we will agree with what you do." Those varieties of response are dealt with in my hon. Friend's Bill, which states simply that Ministers should consult with the relevant countries and then decide what to do on the basis of what they discover. I therefore see no reason not to support the part of the Bill that removes discrimination in the order of succession.

Mr. Alan Reid: Does my hon. Friend agree that one of the important messages that the Bill would send out to the whole country is that discrimination both on the grounds of sex and against Catholics is not permissible in modern society? It is not just about the small number of people who would be directly affected.

David Howarth: The idea behind the Bill is that those principles of non-discrimination are universal and that they do not apply only to particular parts of our society.

My hon. Friend mentions the discrimination against Catholics. There is absolutely no reason for that to continue. Given that Conrad Earl Russell used to be of the belief that our own party—the Whig party, and then the Liberal party—started as a consequence of the exclusion crisis of 1679 and therefore was founded as a party aiming at excluding James II from the throne, I should, perhaps, join in the apologies that we have heard today about the gunpowder plot and other events, and perhaps even apologise for Titus Oates as well.

The hon. Member for Ealing, North (Stephen Pound) made a serious point—perhaps the only serious point in his speech. In the 16th and 17th centuries Protestantism became part of the national identity, especially of England. That led to extreme forms of discrimination against Catholics. He is right to say that that was originally based largely on ideas of foreign threat—of threat from the French, the Spanish and so forth. It has taken us a long time to get back from the effects of that part of our history. It has had a profound effect on the way people in this country see themselves. Catholic emancipation, which started in the early 19th century, has still not finished, although it should be mentioned that bringing about the Catholic emancipation Act required the efforts of perhaps the greatest popular leader the world has ever seen, to paraphrase Gladstone: Daniel O'Connell.

The massive changes that were brought about in the 19th century are still not yet quite complete. The hon. Member for Ealing, North mentioned examples of discrimination against Catholics in the 20th century that are still going on. It has to be said that there is a residual feeling in some Europhobic circles—perhaps I should mention Mr. Ashley Mote, who was originally elected to the European Parliament as a member of the UK Independence party—that somehow the whole European Union is a Popish plot. This is happening now, in our day and age. There are still residual feelings of anti-Catholicism and we should recognise that, and take the step that this Bill proposes precisely because it challenges that.

The only argument made against that step, apart from the Commonwealth argument, which I do not think works, is the notion that it will somehow lead to the disestablishment of the Church of England. I should be open about the fact that my party supports the disestablishment of the Church of England, but this Bill does not get anywhere near achieving that, or even starting to do so. First, it is only about the spouses of monarchs, and not the monarchs themselves, and even if it were about the monarchs themselves, it is not clear that that is a problem because there would be other ways around the supreme governorship issue, including the idea that another senior member of the Royal family might take over the supreme governorship for the period in question. I do not think this is an issue at all; it is simply a red herring.

The third proposal is the repeal of the Royal Marriages Act 1772, an Act that is plainly ridiculous, and has been so for a long time. It was passed in first place only because of the misbehaviour of the brothers of George III, not to mention the later misbehaviour of his son, George IV. It is clear that we need to move on. It is not entirely clear whether this even applies now, because arguably both Queen Victoria and our own current Queen married into a foreign family and that is effectively the end of the Act itself. This is therefore a nonsensical historical survival, and we should simply repeal it.

I have no more to say other than that I thoroughly approve of the Bill. I hope that the House will pass it today, and I hope that, rather than the Government using it as an excuse to do nothing, they will actually do something.

1.5 pm

Mr. Alan Reid (Argyll and Bute) (LD): I congratulate my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) on his Bill, which has my complete support. It seeks to remove discrimination on the grounds of sex and religion, because those discriminations are relics of the past and should have no place in modern society. Effectively what these ancient laws still say is that women and Catholics are second-class citizens, and I want all references to sex and religious discrimination removed from the constitution, as does he. That is probably beyond the scope of a private Member's Bill, so what he has included in this Bill is something that can realistically be achieved.

One of the few arguments being put against the Bill today is that it is all too complex and difficult, but my hon. Friend has focused on aspects of the constitution that can be quickly and easily amended. I do not think that the complexity argument has any weight in respect of the discriminations that he seeks to remove. Clause 1 would remove a sex discrimination provision that is clearly absurd; the Queen has had a distinguished reign of nearly 60 years, and there have been many distinguished queens in the past. It is absurd to say that removing sex discrimination from the monarchy would, in any way, have knock-on effects or cause damage to the constitution.

Clause 2 would remove religious discrimination and thus allow the monarch to marry a Catholic. The present constitution is, in this respect, patently absurd: the monarch or any heir to the throne can marry anyone of any religion or of none, other than a Catholic. That provision is clearly a relic of the 17th century and it should be removed. The message that it sends out is that a Catholic is a lesser being than someone of any other

[Mr. Alan Reid]

religion or someone of no religion, and that appalling sectarian message should have no place in modern society.

This Government, to their credit, have passed a great deal of legislation that removes discrimination from the country and implements a great deal of constitutional reform. They have set up a Parliament in Scotland, and Assemblies in Wales and Northern Ireland, and they have reformed the voting system for the European Parliament. They have removed discrimination in many walks of life, and I urge them to go one step further by removing the sectarian legislation that dates from the 17th and 18th centuries. It is obvious that the Government do not believe in discriminating against Catholics—that is self-evident—so why should they not simply demonstrate that today by giving this Bill a Second Reading and removing 300 years of discrimination against Catholics?

Step by step, over the past 200 years, the anti-Catholic legislation of the 17th century has been removed from our constitution. The only part remaining is discrimination against Catholics' succeeding to the throne and against heirs to the throne marrying Catholics. The Government obviously do not believe in that discrimination. My hon. Friend the Member for Oxford, West and Abingdon has put forward a simple Bill that does not involve any complex issues such as the supreme governorship of the Church of England. This simple measure would send out an important signal to everyone in this country. I urge the Government to support the Bill today and give it a Second Reading.

1.9 pm

Philip Davies (Shipley) (Con): It is a pleasure to follow the hon. Member for Argyll and Bute (Mr. Reid), who clearly feels strongly about this issue. He put his case very well, and with typical verve. I congratulate the hon. Member for Oxford, West and Abingdon (Dr. Harris) on introducing this Bill; whatever happens today, he has clearly achieved an awful lot in a short time, given the headline in today's *Daily Mail* and the Government's seizing on his Bill as a way of diverting attention from all the other difficulties in which the Prime Minister finds himself at the moment. I am sure that he did not design it with the aim of saving the Prime Minister's skin, but it has taken us a fair way down the road to doing so.

The debate has been fascinating and informative. I have learned a lot, and it has been equally entertaining. We have heard some of the finest speakers in the House today. I do not wish to single out anybody in particular, but the hon. Members for Thurrock (Andrew Mackinlay) and for Ealing, North (Stephen Pound) are two of our finest orators, and it was a pleasure to witness their performances today. My hon. Friend the Member for Gainsborough (Mr. Leigh) also made a good speech. Indeed, it has been very interesting to watch the unholy alliance—if I may call it that—between my hon. Friend and the hon. Member for Oxford, West and Abingdon. It would be fair to say that, on 99.9 per cent. of Bills, they vehemently disagree with each other, but they have found common cause on this matter. It was also interesting to watch my hon. Friend struggle with the tragic conflict of loyalty between his understandable desire to end discrimination against Catholics and his long-standing support for tradition, in the face of this Bill, which is a challenge on both those fronts.

In many respects, this Bill is self-evidently sensible. I spend much of my time in this place trying to argue against gender discrimination, especially positive discrimination. It was music to my ears to hear people's opposition to gender discrimination. It has been said that we should take it as read that nobody should believe in any form of gender discrimination. My enthusiasm and delight at hearing that were slightly tempered by the thought that many of those people who were saying that we should take it as read that we do not believe in gender discrimination are those who support all-women shortlists for parliamentary selection. If only we could take it as read that we are against gender discrimination, I would be far happier.

The Secretary of State said earlier that he had a proud record of standing against all forms of discrimination, and the hon. Member for Argyll and Bute said that the Government had passed many measures to tackle discrimination in many walks of life. However, the Government's track record in ending gender discrimination is not perfect, and if they really did believe in it they would end all-women shortlists.

Madam Deputy Speaker: Order. Perhaps the hon. Gentleman could now concentrate his remarks on the Bill.

Philip Davies: I shall certainly do so, Madam Deputy Speaker. I was simply making the point that we cannot take it as read that gender discrimination—

Madam Deputy Speaker: Order. I appreciate the point that the hon. Gentleman was making. I still think that he should now move on and discuss the contents of the Bill.

Philip Davies: I certainly intend to do so. The point has been well made during the debate that we have seen fine examples of women leading the country, whether it be Betty Boothroyd as Speaker, Margaret Thatcher as Prime Minister, or indeed the present Queen. In the debate in the House of Lords in 2005 on this issue, Lord Strathclyde made the point especially well when he said:

> "After all, I have not lived all my life in the reign of Queen Elizabeth II to hold some antiquated view that a woman cannot rule equally well. Indeed, I suspect that there is not a single Englishman who has held that view since the time of the first Elizabeth—surely one of England's greatest monarchs".—[*Official Report, House of Lords*, 14 January 2005; Vol. 668, c. 506.]

He went on to point out that the present system had given us Queens for 117 of the past 168 years. One might conclude that the Bill is therefore a solution looking for a problem.

Andrew Mackinlay: I am waiting with bated breath to hear whether the hon. Gentleman is for the Bill or against it. He has concentrated on the question of women who have demonstrated tremendous service and success in public life, and he referred to Her Majesty the Queen. Does he understand the point I made earlier that if George VI had had a younger son, the world would never have heard of, nor been able to enjoy the

wonderful stewardship, counsel and leadership of Her Majesty the Queen? She would have been the Duchess of Edinburgh and no more.

Philip Davies: That is self-evidently true. There are a lot of ifs in British history, and I am sure that you do not want me to explore every one of them, Madam Deputy Speaker. We are where we are, as the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) said. Had we been starting from scratch, we probably would not have chosen to start from here, but here is where we are.

I often quote my hon. Friend the Member for Aldershot (Mr. Howarth) at such times. He always says, in words that resonate with me, that to a conservative, if it is not necessary to change, it is necessary not to change. Today's argument, to me, is about whether it is necessary to change. To make the proposed change, the case for it has to be set out and we have to be wholly persuaded that it is needed. To answer the question put by the hon. Member for Thurrock, I am not yet convinced of the need for the Bill. I understand the motivations behind it, but I am not sure that we have explored fully all its implications.

I was interested to hear the hon. Member for Oxford, West and Abingdon say that he supports the monarchy and that the Bill is in no way intended to threaten the monarchy. His point appears to be that it is entirely wrong that the eldest child, because of the accident of having been born female, should not be allowed to become England's monarch. That is a perfectly logical point, but from it, perfectly logically, flows the argument that a person should not be able to become king or queen just because of the accident of their birth into the royal family. The thrust of his argument therefore undermines the monarchy as an institution.

Mr. Alan Reid: I am following the hon. Gentleman's argument, but surely if discrimination on grounds of sex and religion were removed, succession to the Crown would become purely random, in that the first-born child of the previous monarch would succeed. Previous legislation has removed the randomness, so surely his argument, if he wants the succession to remain random, is that the Bill should be passed.

Philip Davies: I understand the hon. Gentleman's point, but the thrust of my argument is that, in many respects, the Bill could be regarded as the thin end of the wedge. Once the argument over the Bill was won, those who, perfectly honourably, hold republican views would then move on the next argument: they might say that, having declared that this aspect of discrimination on the ground of accident of birth is unacceptable, we should turn to the wider issue of accident of birth into the royal family.

Simon Hughes: I understand the hon. Gentleman's argument, but I really disagree with him. If the changes proposed in the Bill were made, I believe the general view would be that the case for a monarchy had been strengthened, and we would have shown that we can sensibly and intelligently discuss how to make the monarchy suitable and fit for the next generation. I support disestablishment, but I have not heard anyone suggesting that the Bill is a Trojan horse for disestablishment.

Philip Davies: I understand the point. Time will tell, I guess, but one of my fears is that the Bill advances that agenda.

I understand the argument that, if we are to do this, now is a good time. The hon. Member for North Southwark and Bermondsey (Simon Hughes) made that very point when introducing a similar Bill. He said that his Bill would not affect the succession for the next two generations and so had no implications for any individual—no one would be blocked and it would not be perceived to be an attack on any individual. None the less, I fear the implications.

Mr. Slaughter: I understand—and indeed agree with the hon. Gentleman on—the points about complexity and unintended consequences, but he seems to be conflating them with the question of whether the measure is good in itself. I would welcome clarification on that. Does he, as a true Conservative, simply believe that all change is bad? Does he believe that the measures in question will not be necessary at any point? I would disagree with that.

Philip Davies: As a true Conservative, I believe that all unnecessary change is bad. As I said earlier in reply to the hon. Member for Thurrock, I absolutely agree on the points about not wishing to discriminate against women and others. I understand those points. However, I am not entirely convinced that the Bill in its entirety is the right mechanism to take us forward. I am not sure that we have explored all the potential implications of the Bill; that is my fear.

Stephen Pound: I am grateful to the hon. Gentleman for giving way, and for his earlier extraordinarily generous comments, of which I am extremely unworthy. He is making an interesting journey from an angry young man to something of a statesman; I hope that he will not be too insulted by that. Surely he meant to say "all unnecessary change is bad", rather than what he actually said, which was that all necessary change is bad. I am sure that he would like the opportunity to correct the record.

Philip Davies: I am sure that our friends in *Hansard* will be able to correct us on this point, but I fear that the hon. Gentleman misheard what I said. I did say that all unnecessary change was bad. I thank him, too, for his incredibly generous remarks, of which I am certainly not worthy, either.

The issue about Catholics particularly affects my hon. Friend the Member for Gainsborough (Mr. Leigh), who made his point very well. The hon. Member for Oxford, West and Abingdon quoted my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer), who also pointed out particularly well how ridiculous the bar on Catholics is. I perfectly understand the arguments. However, I am not wholly sure whether the change is entirely necessary. I am not sure how many cases there have been in which the provision has needed to be invoked, or in which there was a problem. I think that such cases are few and far between. I am not sure that it is at the top of the issues raised by the man on the Clapham omnibus at the moment. I certainly share the views of my hon. Friend the Member for North-West Norfolk (Mr. Bellingham): surely the Government have far better things to be doing with their time, particularly at the moment, than to go down that route.

[Philip Davies]

The arguments for the repeal of the Royal Marriages Act 1772 are perfectly logical. Vernon Bogdanor described it as the most absurd piece of legislation on the statute book. We have all heard about how it originated; it was, in effect, passed in a fit of pique, and that is hardly how legislation should be passed. In the 2005 debate, Lord Falconer, arguing why it should be repealed, made the point that the longer the current provisions remain on the statute book, the more couples there will be who are covered by the Act. I perfectly understand all those arguments.

I certainly have a problem with the vehicle that is being used to make the changes—a private Member's Bill. I do not think that that is the right vehicle to take the matters forward. Despite what has been said, we are talking about a major constitutional matter. The Government should introduce the changes themselves, if they feel so inclined, and that should really be done with consent and common support. When considering whether to support the Bill today, one has to ask whether the measures should be introduced through a private Member's Bill. I do not believe that they should be. In answer to the hon. Member for Ealing, Acton and Shepherd's Bush, I can say that if there were a Division on the Bill, I would not vote for it. I would either abstain or vote against it, because I do not think that it is the right vehicle for such a constitutional change.

Simon Hughes: I have one last very short point to make. If we look back over the past 100 years, we see that many initiatives of a constitutional nature have been taken up by Back Benchers, and were then picked up by Governments and legislated for, such as devolution to Scotland, Wales and Northern Ireland. Private Members' Bills are often the way to get things going. That use of private Members' Bills should be encouraged; the Government often do not move otherwise.

Philip Davies: The hon. Gentleman makes a fair point. I would say in response that that seems already to have happened. As a result of the hon. Member for Oxford, West and Abingdon tabling the Bill, it appears—if we believe what we read in the *Daily Mail*, which I always do because it is a fine paper—that the Government will do as the Bill proposes. In that sense, the job that the hon. Member for North Southwark and Bermondsey (Simon Hughes) mentioned has been done. The Government have, it seems, moved.

Dr. Evan Harris: The hon. Gentleman is very wise and therefore, although he may agree with everything that is written in the *Daily Mail*, he might not agree with everything that is spun out of Government. It is my view, though we have yet to hear from the Secretary of State, that the Government's position has not changed. They want to see the changes happen but have no specific proposal to bring them about. The hon. Gentleman said that a private Member's Bill is not the way to do that. He may be right, but he also said that the matter should not be a priority for the Government, so he must clarify whether there is some third way of achieving legislation in this place, other than through Government legislation or private Members' Bills.

Philip Davies: I understand the point that the hon. Gentleman makes, but he misses my point. I do not think a private Member's Bill is the right way forward for the legislation, and if the Government wish to move matters forward—I am not saying that they do—they should do so by consent, with a proper debate of the whole House and a vote of the whole House. Whether the Government are serious about it, time will tell.

The hon. Gentleman may well be right. I am a new boy in this place, but even I have been here long enough to know that the Government do not always deliver on what they say they will deliver. Their position may be a delaying tactic to get some cheap headlines today, and the matter will then be kicked into the long grass. I suspect that may well be true.

Mr. Christopher Chope (Christchurch) (Con): I apologise to my hon. Friend for the fact that I have not seen today's *Daily Mail* because I have been busy chairing a Committee all night—

Madam Deputy Speaker: Order. I hope the hon. Gentleman is going to make an appropriate intervention on the Bill.

Mr. Chope: So do I, Madam Deputy Speaker. It would set a very bad example if, as a member of the Chairmen's Panel, having been sitting in a Committee since 4 pm on Thursday, I did not set an example that I would follow myself. In my intervention on my hon. Friend, I want to ask him to comment on the appropriateness or otherwise of the Prime Minister commenting on the subject from south America, and whether he thinks that that is a diversion from the unravelling of the G20 summit agenda.

Madam Deputy Speaker: I will protect the hon. Member for Shipley (Philip Davies) from straying from the content of the Bill. The Bill before us is very clear. We would prefer the hon. Gentleman to confine his comments accordingly.

Philip Davies: I totally accept your ruling, Madam Deputy Speaker, so however tempted I am, I will not go down the path that my hon. Friend is trying to lead me down.

Stephen Pound: I will certainly not tempt the hon. Gentleman down any forbidden byways or pathways. He makes the sound constitutional point about the primacy of legislation over private Members' Bills, but does he agree that one of the most momentous pieces of legislation this country has ever seen was the Abortion Act 1967, which was introduced by the mechanism of a private Member's Bill?

Philip Davies: The hon. Gentleman makes a perfectly valid point and he makes it, typically, very well. My contention is that a constitutional change such as that proposed by the Bill is best delivered by the Government, rather than through a private Member's Bill.

We have heard today the view that the change is mere tinkering and that it could all be done via a telephone call or in five minutes flat. I am not sure I accept that. The Bill deals with major constitutional stuff, and we would be disingenuous to pretend that that could all be unravelled in five minutes flat.

Mr. Slaughter: If the hon. Gentleman believes everything he reads in the *Daily Mail*, no doubt he believes everything said on the BBC, which is a far more anti-Government organisation than the *Daily Mail*. The BBC's take on the issue this morning was:

"Absurd though these antique rules may seem, the task of correcting them would be an inordinately complicated one, requiring not merely legislation at Westminster, but in the 15 other countries of which the British monarch is also head of state."

Does the hon. Gentleman agree with that? Will he withdraw his rather churlish comments about the Government's not taking action? Actually, they are being prudent in addressing the matter sensibly.

Philip Davies: I accept the hon. Gentleman's point, although I do not always believe everything I hear on the BBC. My point is that the Government do not always do what they say they will do. I am perfectly content, however, to accept for the time being that on this occasion they will. Time will tell; one of us will be proved right, and we do not know who.

This is major constitutional stuff, as Lord Falconer made particularly clear in the House of Lords debate. He said:

"To bring about changes to the law would be a complex and controversial undertaking, raising major constitutional issues which would involve the amendment or repeal of a number of pieces of related legislation."—[*Official Report, House of Lords,* 14 January 2005; Vol. 668, c. 510.]

In an intervention, I mentioned the legislation that Lord Falconer claimed would need to be amended.

Andrew Mackinlay: He was talking through a hole in his hat.

Philip Davies: The hon. Gentleman may speak disparagingly about a former Cabinet Minister in his Government, but on this occasion I tend to accept that Lord Falconer was making a valid point and that this matter is rather complicated and will involve the repeal—or certainly the amendment—of much legislation. That is why, if the Government do want to come forward with something, they should take their time and consider all the implications, which we would not have the chance to consider in a private Member's Bill.

Mr. Chope: Does my hon. Friend accept that if there were ever a subject that should have pre-legislative scrutiny, it is what is in this Bill?

Philip Davies: I agree. Generally, we should tread carefully when we seek to make major constitutional changes. It may well be that the hon. Member for Oxford, West and Abingdon is on the money and doing the right thing and that it all makes perfect sense. I am just not convinced that we have considered all the implications or sufficiently understood how complicated it could all be to deliver. We should tread more carefully and not rush headlong into giving the issue further consideration in Committee. If the Government are true in coming forward with their own proposals, they can take their time.

The Bishop of Winchester was trenchant in his views about the impact that the measures would have on the constitution; he even questioned whether the position of the Crown as the head of the established Church might be affected. In his contribution to the debate, he quoted Lord Campbell of Alloway, who pointed out:

"There is the need, approached in part in the Statute of Westminster Act 1931, to maintain a uniform succession to the throne by ensuring that precisely the same rules govern that succession in each of the independent monarchies of which Her Majesty is Queen...any change in those rules would have to be precisely replicated in the law of each of...the...other Commonwealth countries". —[*Official Report, House of Lords,* 14 January 2005; Vol. 668, c. 501.]

Andrew Mackinlay: Has it occurred to the hon. Gentleman and the other people who excuse themselves for not advancing the Bill that if our fellow legislators in Canada, Australia, New Zealand and the other states take their own initiative, as they can under the Statute of Westminster, there will be a breach with uniformity? They would in their own legislation have enacted the ending of primogeniture and the discrimination against Catholics, and there would then be a problem when the next succession came. I hope that they do it.

Philip Davies: The hon. Gentleman is again tempting me down a line of ifs and hypotheticals. I am sure, Madam Deputy Speaker, that you would not want me to go through such a list again.

I wonder how important the change is that we are discussing. We have been given the idea, partly from what has been in the *Daily Mail*, that this is essential stuff that goes to the heart of everything, but I wonder whether that is slightly over-egging the pudding.

In the debate in the House of Lords, Lord Falconer referred to the discriminatory aspect of the Act, but then said that

"we should be clear that for all practical purposes, its effects are limited."

He went on to say:

"There are 22 members of the Royal Family in line of succession after the Prince of Wales, all of whom are eligible to succeed and have been unaffected by the Act of Settlement. Only four living members of the Royal Family can be said to have been affected by the Act, but they come after the 22nd person in line to the throne. Therefore, to claim that the Act has a discriminatory impact is to ignore the improbability that any of those members of the Royal Family could, in practice, have succeeded."—[*Official Report, House of Lords,* 14 January 2005; Vol. 668, c. 511.]

He makes the point well—this is not rampant discrimination, but what one might call indirect discrimination, to put it at its strongest.

Stephen Pound: I am extremely grateful to the hon.—and flattering—Gentleman for giving way again. In speaking of the January 2005 debate in the other House, he prayed in aid the Lord Bishop of Winchester, who was roundly rebutted by the Lord Bishop of Worcester, who said:

"Because some of our forebears resisted small but significant and symbolically important changes when they became necessary, all sorts of revolutionary ideas started to gain currency".—[*Official Report, House of Lords,* 14 January 2005; Vol. 668, c. 502.]

Does that comment resonate at all with him?

Philip Davies: I am not here to speak up for the Church of England, and it is not for me to interfere in its strife. It appears that the Bishop of Winchester and

[Philip Davies]

the Bishop of Worcester have differing views, so the best thing would be for them to sort it out between themselves without the need for me to referee.

Stephen Pound: Will the hon. Gentleman give way?

Philip Davies: That would give the hon. Gentleman even more time to go through his concerns about the Bishop of Winchester, and I do not want to go down that route.

The hon. Member for Ealing, North appropriately mentioned the right hon. Member for North Antrim (Rev. Ian Paisley). The hon. Member for Oxford, West and Abingdon suggested that we were out on a limb compared with other countries in Europe in the way we deal with these things. To me, that is a good thing. If only we were out on a limb regarding the European Union completely, I would be a happy man. The speech by the right hon. Member for North Antrim indicates that we may not be quite as far out on a limb as was suggested. Other countries have their own peculiar requirements as to who can succeed to the throne. Although they may not be of exactly the same nature as those that we have in this country, they could be construed as equally discriminatory, particularly indirectly. The hon. Member for Ealing, North mentioned Spain, where a successor has to be a member of a particular family who all happen to be Roman Catholics. One can argue whether that makes that system discriminatory as well. The argument that we are doing something horrible, shocking and discriminatory in this country while the rest of Europe is completely pure on these matters deserves a great deal of scrutiny. The right hon. Member for North Antrim made that point rather more impressively than I ever could when he spoke in the debate in 2001.

The question is whether this measure is necessary; I am not entirely sure that it is. I can see that it is an issue that will exercise the minds of many people across the country, and I am sure that it comes up regularly in university debating societies. Such a motion might well come up for debate at Lib Dem conferences, along with debates on creating a republic, abolishing drug laws and all the other things they go on about—

Madam Deputy Speaker: Order. I hope that the hon. Gentleman, instead of referring to conferences and other arenas for discussion, will concentrate his remarks on the Bill before the House.

Philip Davies: As always, Madam Deputy Speaker, you are entirely right. I was tempting myself down a path that I should not have gone down, and I apologise.

The relevant point is that this may be a matter of great interest to academics and to people in debating societies, but the vast majority of people in this country are worried about losing their jobs and homes and about rising crime levels, and I wonder whether this issue is at the top of their list of concerns. How important is it to the nation as a whole? I suspect that most people in the country would think that this is unnecessary stuff. They may even mildly support the Bill, if they were to hear all its provisions, but they would not think it one of the most important matters for the Government to legislate on.

Mr. Slaughter: I entirely agree with the hon. Gentleman, and he echoes a point that I made. He has drawn attention to the fact that the Bill is rather reductive. To expand his point, does he agree that if one wished to see a wider blossoming of alternative religions in the establishment of the royal family, the example that the heir to the throne, Prince Charles, has given, by talking about being a defender of faiths and opening things up in a positive way, would be—

Madam Deputy Speaker: Order. The hon. Gentleman must be concise in his interventions.

Mr. Slaughter: I do apologise, Madam Deputy Speaker. Does the hon. Member for Shipley (Philip Davies) agree that the Bill's approach would be somewhat reductive, and if we wish to deal with the religious issue, we should do so de novo, and consider it in a much broader way?

Philip Davies: I accept the thrust of what the hon. Gentleman said. I am not sure that I would particularly agree with all the detail. This matter is not of major concern to most people in the country, or to most of my constituents in Shipley. It would be fair to say that none of my constituents has raised this issue with me, either by post or e-mail, or even on the doorstep. It is not the first thing that comes to people's minds when I ask them what they are concerned about. We ought to bear that in mind when we decide how we should legislate.

I am not sure that the full implications of the Bill have been debated, and I come now to the repeal of the Royal Marriages Act 1772, which everybody seems to accept, on the nod, should be repealed. It is worth pointing out the other side of the argument, whether one accepts it or not. I mention in passing my noble Friend Lord Strathclyde who, like Lord Falconer, made an impressive speech when this matter was debated in the House of Lords. He said that he was not entirely convinced by the arguments of Lord Dubs and:

> "It is true that modern Royal Dukes are not as raffish as the Duke of Cumberland and the Duke of Gloucester, who gave so much trouble in the 18th century, but I wonder whether there is not some sense in allowing Crown and Parliament to control those who can become the consort of a monarch."—[*Official Report, House of Lords*, 14 January 2005; Vol. 668, c. 508.]

He accepted that that was an old-fashioned view, which, to my mind, does not necessarily make it a bad one. He went on to make the point that in Spain, those with a right of succession to the throne who marry against the prohibition of the King are excluded from succession to the Crown, as are their descendents. In Norway, only the King can give permission for a wedding of an heir, in dialogue with Parliament, and even in liberal Holland, anyone in the line of succession who marries without the permission of Parliament loses the right of succession.

Andrew Mackinlay: So what's the point?

Philip Davies: The point is that there are arguments against the repeal of the 1772 Act. They may well not be persuasive to the hon. Member for Thurrock—I entirely accept that—but people are entitled to hear these arguments before they come to a view.

We all want to hear what the Secretary of State has to say, and I do not intend to delay the House any further. In conclusion, I understand the arguments advanced by the hon. Member for Oxford, West and Abingdon and

others. The points made about discrimination are, on a superficial level, perfectly clear and understandable, and nobody believes in such discrimination, so those points are well made. My point is twofold: is this really necessary? Is it something that the British public are so concerned about that they expect us to take urgent action? I am not convinced that it is. Is it something that should be taken forward through a private Member's Bill, or is it of a major constitutional nature, requiring a Bill from the Government of the day if it is to be taken any further? I tend to fall into the latter camp, despite the quality of the arguments made by those who have advanced the case for the Bill. I hope that the Secretary of State will indicate to the House that despite the headline-grabbing announcement in the *Daily Mail*, the Government will tread carefully before rushing down this route.

1.45 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I congratulate the hon. Member for Oxford, West and Abingdon (Dr. Harris) on coming third in the ballot for private Members' Bills and securing the first slot in today's considerations. He is an assiduous parliamentarian and has made active use of the facilities that are available to Back Benchers of all parties to pursue causes in which they strongly believe. I share his views and have actively supported him on some of them and not on others, but that does not in any sense detract from the way in which he has seized the opportunities that are available to private Members to pursue particular points and shift Government policy.

It is something of a canard that, as is often implied, the House of Commons in particular has become less effective in holding the Executive to account in recent decades. As was spelled out in some detail in a Modernisation Committee report in the 2006-07 Session, the academic evidence shows that the House has become much more active and rebellious in holding Governments to account, and quite right too.

Mr. Michael Ryle, who was Clerk of Committees about 10 years ago, wrote an interesting treatise in which he commented that the alleged golden age of the '50s and '60s was actually a period when the House was effectively asleep. There was not a single rebellion by Government Back Benchers between 1951 and 1955. The work of Professor Philip Cowley of Nottingham university illustrates that in the past dozen years we have had one of the most so-called "rebellious" Government parties. I do not resent that in the least, because I happen to believe that while Ministers are here to propose, it is for Parliament, and above all this House, to dispose.

I also believe that Governments damage themselves—we have avoided doing so—if they enter into the conceit of believing that what they and their officials have dreamed up in their Departments is the last word. I have had some uncomfortable times at the Dispatch Box in trying to persuade colleagues of the rightness of my view or sometimes, less uncomfortably, in accepting that they were right and I was wrong. I am on record as saying that not a single one of the quite large number of Bills that I have sponsored in the past dozen years has not been improved by the parliamentary process.

The hon. Member for North-West Norfolk (Mr. Bellingham) had a bit of sport about the Prime Minister's comments overnight on his trip to Brazil and Chile, and suggested that they were the result of some dastardly plot. As a matter of fact, they were not. They were a consequence of the hon. Member for Oxford, West and Abingdon bringing the Bill before the House and the fact that the Prime Minister, as ever with Prime Ministers of either party, travels with a party of journalists.

Alistair Burt (North-East Bedfordshire) (Con): And talks to them about private Members' Bills.

Mr. Straw: The hon. Gentleman used to be the Member for Bury, North until he lost his seat, but now represents somewhere else.

Alistair Burt: Bedfordshire.

Mr. Straw: Bedfordshire. He was one of the many who fled south and east during the chicken run of the mid—

Alistair Burt: I lost my seat.

Madam Deputy Speaker: Order. Perhaps rather than indirect references, we can have a continuation of the Secretary of State's contribution on the Bill and the discussion that has taken place.

Mr. Straw: The hon. Gentleman met the fate of most chickens, but luckily for him—and for the Commons; I am very fond of him—he was resurrected in a different incarnation.

Let me therefore dismiss the gratuitous comments of the hon. Member for North-West Norfolk about the Government's actions. The assiduity of the hon. Member for Oxford, West and Abingdon and journalists' interest meant that my right hon. Friend the Prime Minister was bound to be asked about the matter.

The hon. Member for North-West Norfolk apologised for the absence of the hon. and learned Member for Beaconsfield (Mr. Grieve), the shadow Justice Secretary. I, too, apologise, because it is entirely my responsibility. I gave him information that was correct at the time, but changed overnight, about whether I was going to be here. I hope that he accepts that.

Several hon. Members have asked what will happen if the House accepts, as I invite it to do, that the Bill is not the appropriate vehicle for making change of such a scale. The Prime Minister has made it clear that we take the issue seriously, and we accept that at the heart of the measures that we are considering, there is discrimination, which should have no place in a modern society. On the radio this morning, my right hon. Friend the Prime Minister said:

> "This is a very complex issue that has been a matter of controversy and discussion for decades, indeed over centuries. What we must do is protect the position of the monarchy, and what we've got to do is to protect the position of the Queen as head of the established Church, the Church of England. So nothing we must do must affect that. But there are clearly issues about the exclusion of people from the rights of succession, and there are clearly issues that have got to be dealt with, not just in Britain, but would have to be dealt with across the whole of the Commonwealth. So this is not an easy set of answers, but I think in the 21st century people do expect discrimination to be removed, and they do expect us to be looking at all these issues."

[Mr. Straw]

I shall deal with the Statute of Westminster shortly, but my right hon. Friend also said that he was ready to consult other relevant Commonwealth Heads of Government, not least at the Commonwealth Heads of Government meeting later this year.

Dr. Evan Harris: I am grateful to the Secretary of State for giving way, and for responding to the debate—I was not aware that he was going to do that. Which of the Prime Minister's points move the Government's position in any way from their position a year ago, two years ago or indeed 12 years ago? I understand that the Government always believed that the discrimination that the Bill would remove was wrong, that the issues were serious and that they affected the Commonwealth. What is the exact change of position that the Prime Minister's remarks denote?

Mr. Straw: The priority that the Prime Minister said that the Government would give the matter. No one in the Chamber, let alone outside, would suggest that the matter should have overwhelming priority. The Government are preoccupied not only with the economy, as we are at good times as well as at difficult times, such as the current times, but with bread-and-butter issues that affect the day-to-day lives of our constituents. However, we are considering an important constitutional issue and it is important that our constitution, which determines not only the balance of power, but many of the values that inform how our society should operate, is brought up to date. If there is clear discrimination, we should deal with that.

Let me just say that I was not intending to be here; I would not have been but for the results of the hon. Gentleman's assiduity—I have already paid him some compliments about that. Sometimes people in his position are fortunate and something gels in the minds of, say, the journalists. The fact that he has managed to achieve a considerable degree of prominence for the Bill is the reason why I am here. I make no pretence about that. This has been a really interesting debate and it has been good for me—it is the first such debate that I have sat through in the past 12 years. I happen to have governmental responsibility for the issue, and the debate has also informed my thinking.

Simon Hughes: On the Commonwealth question, it is generally accepted that the issue is one not for the whole Commonwealth, but for the 15 other countries that have the Queen as Head of State. Can the Justice Secretary tell the House whether any approach about the issue has been made to the other Heads of Government in the Commonwealth countries affected since Labour came to office 12 years ago, and if so how far has that got?

Mr. Straw: The hon. Gentleman will be aware that quite a considerable part of relations with other states is confidential. Let me put it this way: we have not been unaware of the views of the Heads of Government of relevant countries, but I will deal with the Statute of Westminster in a moment.

I want to put on record two things, the first of which is this Government's commitment to the elimination of discrimination. That is something about which I, and everybody on the Labour Benches, feel passionately. The hon. Member for Oxford, West and Abingdon applauded this Government's work over the past 12 years in removing discrimination in one area after another. He said, however, that he thought that perhaps the period when Roy Jenkins was Home Secretary in the '60s was a period that was even more radical, because of the inherent difficulty of dealing with some of those issues at the time. I am not going to have a competition over the benefits of one Labour Government as against those of another Labour Government. It is, however, a fact that only Labour Governments have ever introduced any legislation to root out discrimination in any area of our public life.

Some of us remember the Smethwick election in 1964. My right hon. Friend the Member for Warley (Mr. Spellar), who now sits for that former constituency, knows of the searing pain that was caused by the words used in that election by the Conservative candidate, who later became the Member of Parliament, which were so disgusting that I shall not repeat them in the House. At the time, those on the Conservative Benches said that there was no need to legislate, because people should be free to express whatever views they wanted. I remember at that time seeing notices in windows on the sides of lodging houses in London saying, "No blacks, no Irish, no dogs". That was very straightforward discrimination. Those desperate insults and worse were allowed in the interests of freedom of speech.

Mr. Bellingham: The Lord Chancellor is going back into distant history, but I take grave exception to what he said about the previous Conservative Government, who were pre-eminent in removing any discrimination against disabled people. Indeed, my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) was Minister for Disabled People at the time and he did a superb job, helped by my hon. Friend the Member for North-East Bedfordshire (Alistair Burt), who was a junior Minister in the responsible Department. They worked very hard indeed to remove discrimination against disabled people. The right hon. Gentleman should accept that and ensure that it is on the record.

Madam Deputy Speaker: Order. The hon. Gentleman's comments are certainly on the record now. I have allowed that, but may I suggest that we get back to the elements of discrimination in the Bill?

Mr. Straw: I will be brief, Madam Deputy Speaker, but I simply make the point that in one area after another—whether it be on race, religion or gender discrimination, and not least in respect of people's sexuality, on which the Conservative Government, through section 28, moved discrimination up a notch, rather than back—it is our record that is second to none.

Philip Davies: The Bill relates to gender discrimination. That is what we are on about. The Secretary of State is slightly on his high horse, if I might say so, about what the Government have been doing. This Government introduced all-women shortlists. That is clear gender discrimination. They have introduced discrimination.

Madam Deputy Speaker: Order. I brought the hon. Gentleman to order before on that point.

Mr. Straw: The hon. Gentleman should speak more often. I look forward to his attributes and his merits being better recognised by the leader of the Conservative party and to his becoming a Front Bencher. We are going to win the next election anyway, but the more the public hear him the more we are likely to win by an even bigger margin. The point about all-women shortlists—

Madam Deputy Speaker: Order. We cannot stray into the subject of all-women shortlists. Can we please concentrate on the content of the Bill?

Mr. Straw: The Bill is about gender discrimination, but it is also about serious discrimination against members of the Catholic Church. I am an Anglican. I was brought up in that tradition and I am a communicating Anglican today. I never had to suffer the sense of pain that was referred to by my hon. Friend the Member for Ealing, North (Stephen Pound) when he described what it has felt like to come from the Catholic tradition and to be a Catholic in our society. That point was first brought home to me at university. Graduation day at Leeds university in 1967 happened to be on 12 July. For me, that was just another day in July. All our parents were coming up to see how some of us had managed to overcome, at least in part, the other distractions at university and had got ourselves degrees. I asked my friend when his parents were going to come, and he said, "I'm afraid my father's not coming." I think his mother had passed away. I said, "But they only live in Liverpool. My mother lives in the south. Where is your father?" "My father is an Orangeman," he said. He went on, "My father—I agree with him—regards it as more important that he should parade through Liverpool to assert the Protestant supremacy than that he should come and see me receive my degree." That is absolutely shocking, yet that was not in Northern Ireland, but in England. It illustrates the extent of the divide that was still there in our society even 40 years ago.

In the old days, when I first came in to this House—they seem very recent to me, but they are not to many other people—if one wanted to introduce a ten-minute Bill, one was not sorted out conveniently by the Whips. In those days, one had to be the first Member through a door on the upper Clerks corridor, on the third floor above here, at 10 o'clock in the morning. That meant that one had to be the first person in that room in 5 o'clock in the morning—

Simon Hughes: Or earlier.

Mr. Straw: Indeed, or earlier. The hon. Gentleman will recollect that, because on one occasion he got there before me and on another I got there before him.

In 1979, I found someone else in that room when I went to try to introduce my Bill on police authorities' powers, which would have introduced measures partially to democratise police authorities that I was able to introduce in 1997. Having failed on one occasion, I arrived to find no one else in that wretched room and settled down for four hours, glued to the room, in order to get my ten-minute Bill slot. The room was full of copies of *Hansard* from 1861, so, faute de mieux, I started reading them. They were absolutely extraordinary. I opened that copy of *Hansard* on a page that contained debates about suppression and coercion in Ireland. One Member had the temerity to complain about the fact that whole villages were being torched in order to punish all the villagers for the fact that one of their number—and no more—might possibly have committed a crime against the state. What was so breathtaking was the fact that Front Benchers on both sides of the House were saying "That is absolutely right. Of course these villages should be torched. These people do not properly recognise who is in charge. They are potentially treacherous, traitors to the nation. What else can we do but suppress and coerce the Irish peasantry?" As must be clear to the House, I have never forgotten that.

One of the things we must remember is that what we are dealing with is a rich, highly complicated and highly divisive history: the history of our nation. It has been said that a nation without a history is like a man without a memory. We cannot escape from our history: it is part of us—or, as T. S. Eliot more intriguingly put it in the last of the "Four Quartets",

> "A people without history
> Is not redeemed from time, for history is a pattern
> Of timeless moments."

What we are discussing today—this is for the benefit of those who take an interest, as I think all of us in the House do, in how we come to be here, and what has moulded this extraordinary and great nation of the United Kingdom—is the consequences of two centuries, the 16th and especially the 17th, of great conflict, in which much blood was shed. We had a civil war in which one in 10 males in England is estimated to have been killed, and in which families were divided. Even that did not lead to any kind of settlement until almost exactly 40 years after Charles I lost his head—an event that my hon. Friend the Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter) described as one of the greatest moments in history, involving a man whom my hon. Friend the Member for Ealing, North described as the martyred king.

Dr. Evan Harris: Will the Secretary of State give way?

Mr. Straw: Of course—on that point.

Dr. Harris: Actually, off that point. I am loth to interrupt the Secretary of State, but his recalling of the long history of oppression of certain religious minorities, in this case Catholic, combined with the list of the discriminations that he—with the support of those on these Benches—has rightly got rid of, contrasts starkly with the forgotten few people whose interests in not being discriminated against have been left behind over two centuries and over 12 years. I merely ask the Secretary of State—because time is limited—whether he would be willing to put our minds at rest by specifying a timetable for his, and the Government's, implementation of a measure that is designed to rid us of that remaining discrimination.

Mr. Straw: I am afraid that I am not ready to specify a precise timetable. I can say to the hon. Gentleman, however, that as a result of the pressure that he has exerted by means of the Bill and other concerns that have been expressed, as it were, on both sides of the confessional spectrum—not least in Scotland—this is now a higher priority for Government than it has been. That, rightly, is how the parliamentary process operates.

[Mr. Straw]

Before I deal with some of the absolutely central issues, let me respond briefly to a few of the points that have been made today.

Stephen Pound: My right hon. Friend will, of course, be as familiar as I am with the current edition of *The Catholic Herald*, in which the hon. Member for Oxford, West and Abingdon (Dr. Harris) describes himself as

"not exactly the pin-up boy for Catholics".

I am not implying that many of us are pin-up boys for anyone. However, my right hon. Friend would be a pin-up boy for all true democrats and all people who believe in equality and fairness if he were to continue in this vein, and give an indication of tangible support for this excellent Bill.

Mr. Straw: I have already said that no one could argue with the principle—and no one has done so today, not even the hon. Member for Shipley (Philip Davies), who entertained us by declaring that he is against discrimination, especially positive discrimination, which is a means of ending discrimination. He also managed to get his apparent wish for us to leave the European Union into the debate. Please do not worry, Madam Deputy Speaker, as I shall now immediately return to the subject of the Bill.

My hon. Friend the Member for Thurrock (Andrew Mackinlay) talked about complexity. The complexity is to do with not the drafting of the measures—that will be lengthy and detailed—but with their potential implications and inadvertent consequences. My hon. Friend said we could have a disaster if we do not address this issue. I do not think that is likely. I accept that we need to resolve this, but we can do so steadily, given who is actually in the line of succession and the fact that, at most, we might face the very distant eventuality of a crisis.

I apologise to the hon. Member for Gainsborough (Mr. Leigh) for having heard only the opening part of his speech, but I have been given a good note of what he said. *[Interruption.]* I am sure it was a very good speech—the note is certainly very good, and I shall read the speech in *Hansard* tomorrow. I understand that he said that the Roman Catholic Church requirement for families to be brought up as Catholic in marriages between someone of the Catholic faith and someone not of that denomination had been much relaxed in recent decades. *[Interruption.]* My hon. Friend the Member for Thurrock says, "Totally." That is one necessary consideration, but there are others, and although none of them is insuperable, they must be thought through. It is still the case, for instance, that those who are in the Catholic Church are told that they are not in communion with the Anglican Church—although I have seen that. The reverse is also the case: according to the Catholic Church, it is not possible for me as an Anglican to take holy communion in a Catholic church. That would also need to be sorted out.

In 1972, there was a change in the arrangements inside the Church of England: the Church of England's admission to holy communion measures allow baptised persons who are communicant members of other Churches, and who are of good standing in their own Church, to be admitted to holy communion in Church of England churches. That means, to my certain witness, that Methodists and Congregationalists, and Church of Scotland and Baptist members, can take holy communion, and there is no direct prohibition within the Church of England of members of the Roman Church taking holy communion, but that is not directly reciprocated. I understand why; it is a matter of profound history for both Churches, but that is something we would have to talk about.

Andrew Mackinlay: With the greatest respect, I think that, on the details, the Secretary of State is wrong. I do not want to labour this matter, but I know of Church of England vicars who have been given communion in a Roman Catholic church and Catholic Church members who have received communion in the Church of England. That is a matter of fact, and it is happening all the time. The question, however, is this: what has this got to do with the Bill? With the greatest respect, the question of intercommunication or lack of it, and of what might be anyone's belief about communion, has got nothing at all to do with the Bill, and I challenge the Secretary of State to tell us how it has.

Mr. Straw: I was going to come to that.

The hon. Member for Oxford, West and Abingdon and others say that this Bill is not intended to disturb the position of the sovereign—the King or the Queen—as head, or supreme governor, of the Church, in ecclesiastical matters as well as in temporal matters. I fully accept that that is the hon. Gentleman's intention in moving his Bill. The law at present does not prohibit someone who is in communion with the Church of England but who is not a confirmed Anglican from being head of the Church, because they would then be in communion with the Church. The difficulty—this is one of the complexities of what he proposes—is that he has not thought through sufficiently the potential consequences of his proposals for the sovereign's position as head of the Church, and this matter needs to be thought about very carefully. The monarch is the supreme governor of the Church of England, and Catholics, under the laws of their Church—this is the point—cannot enter into communion with the Church of England. Thus, there would be the anomalous position where if there were a supreme governor, a monarch succeeding to the throne, who was a member of the Roman Catholic Church— *[Interruption.]* I understand the point, but we need to think things through a little, because the Bill proposes to allow members of the Catholic Church to be in the line of succession and one of the issues that we must—

Dr. Harris: I think that the Secretary of State has indicated in those remarks that he has not read the Bill, because it is not about whether Catholics should be in the line of succession—it is about who can marry into the line of succession—and it leaves completely untouched the requirement that those in the line of succession and those inheriting the throne need to be in communion with the Church of England. That is why those of us who listened to his recent remarks have found it very difficult to understand their relevance. What tangible things can he bring, other than the notion of a higher priority, to achieving the ending of this discrimination?

Mr. Straw: I am sorry, but I suggest that what I have said could be one of the consequences, and I certainly believe that this must be thought through much more carefully than the hon. Gentleman believes. My right hon. Friend the Prime Minister has spelt out the great

importance of not disturbing, inadvertently, the position of the Church of England—it is the established Church in this country. We have always taken the position, which I believe is widely shared across the parties, that the issue of the establishment of the Church of England has to be a matter for the Church to initiate and not for this House—although we could, of course, initiate it. I am a member of the established Church, and I am comfortable with that. One of the truths about the Church of England is that because it is established, it represents not only its own particular faith, but every kind of faith. It is significant that, as far as I am aware, no pressure at all for disestablishment has come from the Roman Catholic Church, the non-conformist Churches or other faiths.

Simon Hughes: This is really important business, but the Justice Secretary has not yet given us an explanation of why any of these arguments have differed over the past 12 years and why therefore there is a bigger problem. More importantly, everybody in Britain now understands that when somebody of one faith or denomination marries somebody of another, that, in no way, changes their allegiance to their denomination or faith. The proposal is that the monarch has to retain, constitutionally, the allegiance to the established Church in this country, but their partner—their spouse—need not. Nobody, in this modern age, thinks that this is a problem; it happens in marriages, royal or otherwise, in this country and around the world, all the time.

Mr. Straw: I say to the hon. Gentleman that one of the many values of today's debate has been to clarify that and to clarify the intention, because the process of debate today has to produce a better consensus on what we could change and what we must leave untouched than was there before.

May I move on to deal, in the time available to me, with the issue of gender discrimination? The discrimination against members of the Roman Catholic Church is, as I think we would all accept, the most offensive part of the current arrangements. There is an issue about quite how far the two things impact on each other, but because the Bill is bound to have some impact on and consequences for the established Church, it needs to be thought through in some detail. Gender discrimination is a much more straightforward matter to deal with, and that is the position of the Government. Interestingly, however, the change in the rule would have less practical effect—in terms of number, although not for the individuals involved—than might be imagined. In the current line of succession, five out of the first 12 are women. If we change the rules to achieve equality between the sexes, as proposed—or absolute primogeniture, as it is called—five out of the first 12 would still be women, exactly the same number.

Simon Hughes: The order would be different.

Mr. Straw: Of course, but the same five would be reshuffled. The first three on the list would be unchanged—the Prince of Wales, Prince William, and Prince Henry. Fourth is the Duke of York and fifth and sixth are Princesses Beatrice and Eugenie. Under absolute primogeniture, fourth would be Princess Anne, followed by Mr. Peter Phillips and Miss Zara Phillips. The case for change is strong, but the practical effect, given that the top three all happen to be men, is likely to be limited.

Dr. Evan Harris: Another benefit of the Bill would be that Peter Phillips could marry someone with whom he fell in love without that person feeling that they needed to change their religion in order to retain his place in the succession. One wonders how many other people's private lives or religious allegiances have been affected by the fact that this change has still not yet been made.

I know that the Secretary of State has only eight more minutes to occupy, but I would like to ask him—for the third time now, and with due respect for his sincerity—what tangible proposals the Government have to implement the higher priority that no less a person than the Prime Minister, taking time out of a busy trip, made clear that he had given this issue?

Mr. Straw: I do not want to give a precise time scale this afternoon, least of all one that, for other reasons, might not be fulfilled. However, it is an issue that we will pursue; that includes discussions with Commonwealth Governments.

Mr. Leigh: I understand that the Secretary of State will not give a precise timetable, but is there any chance of having a Government Bill before the general election in a year's time?

Mr. Straw: The chances are very limited. One should never say never, but there is a lot to do.

The hon. Member for Oxford, West and Abingdon said, in what was, with respect, the weakest part of his speech, that we would have to consult—I think that that was the verb he used, and it was certainly used by Mr. John Humphrys on the "Today" programme this morning—the Heads of Government of the relevant Commonwealth realms. Indeed, clause 4(2) states:

"No order may be made under this section unless the Secretary of State has consulted the government of every Commonwealth country on the provisions of this Act."

The idea is that we pass the Bill and then we find out what Commonwealth Heads of Government think about it. My hon. Friend the Member for Thurrock comprehensively answered that point by pointing out that the Swedish Government had taken that approach, with unacceptable results as far as the Swedish royal family were concerned.

The Commonwealth is no longer the empire, or even the British Commonwealth: it is the Commonwealth and all its members are equal. The members of the Commonwealth would be right to be offended if, contrary to the clear statement in the Statute of Westminster 1931, we were to bounce them into a take-it-or-leave-it position, which had already become the law. The preamble to the Statute of Westminster states that any changes touching on

"the Succession to the Throne or the Royal Style and Titles shall hereafter require the assent as well of the Parliaments of all the Dominions"—

now the Commonwealth countries—

"as of the Parliament of the United Kingdom."

There is a slightly arcane argument about whether, as the preamble to the statute, that statement has legal force—I shall not offer a view, because preambles to modern statutes are unusual—but it plainly has huge moral force. No serious British Government of any complexion could ignore part of a solemn compact with, originally, the dominions and now the Commonwealth.

[Mr. Straw]

The recent judgment in the Superior Court of Ontario of Mr. Justice Roleau, in the case of O'Donohue *v.* Canada, also made it clear that the arrangements have to be symmetrical between one member of the Commonwealth and another. In his judgment, the learned judge said:

"The office of the Queen is such a fundamental part of our constitutional structure that amendments to the Constitution…require the unanimous consent of the federal and provincial governments".

He continued:

"Applying that reasoning to the present case, it is clear that Canada's structure as a constitutional monarchy and the principle of sharing the British monarch are fundamental to our constitutional framework. In light of the preamble's"

—that to the Statute of Westminster—

"clear statement that we are to share the Crown with the United Kingdom, it is axiomatic that the rules of succession for the monarchy must be shared and be in symmetry with those of the United Kingdom and other Commonwealth countries. One cannot accept the monarch but reject the legitimacy or legality of the rules by which this monarch is selected."

He went on to say that

"if symmetry…were to be maintained, any changes to the rules of succession would have to be agreed to by all members of the Commonwealth."

That is the position set out by legal authorities in Canada, and it has to be the position followed by any Government.

Simon Hughes: If the Secretary of State is not willing today to let the Bill go to Committee, so that an amendment could be tabled providing for that procedure, will he undertake that, as soon as the G20 meeting is out of the way—obviously, that is the priority—he will speak to the Prime Minister to initiate the process, so that the Commonwealth conference this autumn could be the conclusion and the agreement, rather than the start of, the discussion?

Mr. Straw: I shall certainly ensure that soundings are taken among Commonwealth Heads of Government and talk to my right hon. Friend the Prime Minister about the outcome of today's debate, which has been very interesting and informative, not least to me. I genuinely mean that. Normally when one spends five hours in this Chamber, one learns something—in fact, I have never spent five minutes in this Chamber without learning something—and I have done so today.

However, let me say this to the hon. Gentleman. Almost every Commonwealth country, and certainly the older ones—two being Canada and Australia, which are parts of the realm—have faced precisely the same tensions between people of the Anglican faith or the Protestant faiths and people of the Catholic faith. Famously, in Australia, where the establishment of the country was Anglican, there were huge tensions involving those of Irish heritage. In Canada, the tension continues between those of British heritage and those of French heritage, and there is the potential for conflict—

2.30 pm

The debate stood adjourned (Standing Order No. 11(2)).

Ordered, That the debate be resumed on Friday 16 October.

Business without Debate

CHILDREN IN CARE (CUSTODY) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 July.

DRIVING INSTRUCTION (SUSPENSION AND EXEMPTION) POWERS BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 15 May.

BROADCASTING (TELEVISION LICENCE FEE ABOLITION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 24 April.

EUROPEAN UNION (AUDIT OF BENEFITS AND COSTS OF UK MEMBERSHIP) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 24 April.

PRESUMPTION OF DEATH BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 24 April.

EXERCISE OF REASONABLE DISCRETION BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 24 April.

SCOTTISH BANKNOTES (ACCEPTABILITY IN UNITED KINGDOM) BILL

Resumption of adjourned debate on Question (6 March), That the Bill be now read a second time.

Hon. Members: Object.

Debate to be resumed on Friday 24 April.

Housing Subsidy (Barking and Dagenham)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Frank Roy.)*

2.32 pm

Jon Cruddas (Dagenham) (Lab): It is fair to say that the subject of this short debate is quite different from that of the debate that preceded it. However, we Catholics have always had quite an interest in housing policy, so there is a certain continuity. This afternoon I want to talk about the operation of the housing revenue account, and the so-called negative subsidy system, with regard to its effect on my borough, the London borough of Barking and Dagenham.

The housing subsidy system is based on a complex set of rules and assumptions that the Government make about a council's need to spend, about the Government's national rent-setting policy, and about a council's debt position. The councils that have historically managed their finances well, and are debt-free, such as my authority in east London, are assumed to be in less need, and therefore have to contribute to the housing subsidy pot. The Government run their national system as a redistributive pool, so they pay housing subsidy to those they assume to be in greatest need, and require others, who are in less need, to pay negative subsidy back to the Government for subsequent redistribution.

When the housing revenue account was first set up, no council had to pay money to the Government, but now 156 of the 206 housing authorities pay negative subsidy to the Treasury. This year, the Treasury has taken £194 million from council tenants. I would argue that that is a tax on some of the poorest and most vulnerable people in our communities. Not only is that deeply unfair in principle, but it actively prevents councils from investing in, improving and repairing their housing stock.

The allocation formula creates perverse incentives. For example, if a council pays off its housing debt, reduces crime on its estates or reduces vandalism of its stock, it loses some of its subsidy. That situation will get worse over the next few years. The amount of money that central Government will take out of the system is planned to increase to some £300 million in the next financial year. Obviously, I realise that the revised determination of rents will probably reduce that figure dramatically, but I simply repeat the point that the system is structured in a way that produces those surpluses.

I turn now to the situation in our borough, Barking and Dagenham, which is a deprived area of east London. The council manages some 20,000 homes. It used to manage 40,000. Our council paid in some £17 million to Government negative subsidy in 2007-08. That is equivalent to nearly £900 per property per year. Next year, 2009-10, we will pay some £22 million in negative subsidy back to the centre. Through their rent payments our tenants are effectively subsidising council tenants in other parts of the country. This additional tax on our tenants operates at the same time as we have an investment gap of about £100 million, looking to 2011.

Retaining the millions that we pay in negative subsidy would enable us to invest in our existing stock and new affordable housing. The situation has been raised endlessly with the Government over the past few years. We petitioned the Prime Minister himself in 2008. I remember standing in Downing street with the signatures of 244 of my constituents. There is huge local support for the issue. We had another petition with 1,580 signatures locally run in our Tax on Tenants campaign.

There are a number of interlinked housing policy issues which cross-relate to the issue of the negative housing subsidy. For example, in 2004 there was a tenants survey in connection with the Decent Homes option appraisal. It resulted in a 25 per cent. response rate among our tenants, of which 86 per cent. stated a desire to remain with the council. As an authority we are delivering the Government's agenda, developing mixed-tenure communities and focusing on town centre and estate renewal. We are at the forefront of the development of local housing companies. Ours will be incorporated in July, with a start on site in August for a scheme of 470 units. We have plans for some 6,000 units over the next 12 years, with a minimum of 50 per cent. designated as affordable.

Because of negative subsidy, the housing revenue account position is critical for the future of council housing in our borough. In little more than two years, the housing revenue account is likely to go into deficit, potentially forcing the council into balloting for stock transfer, despite the clearly stated wishes of our tenants and council representatives.

We welcome the recent announcements from the Prime Minister and the Minister for Housing on new council house building activity. We have been campaigning for that for many years, but unless the housing revenue account subsidy is resolved, no effective new council housing will be built. That is the situation in other towns and cities across the country as well, although I would argue that we are on the front line because of the scale of the negative subsidy. That could undermine the basis from which we will try to confront the deep structural weaknesses in the supply of social housing as the country's housing crisis develops.

Even if we instituted a system of prudential borrowing which created the level playing field for which many of us have argued for many years to allow new build council units, the £22 million deficit means that we could not build the numbers that we so desperately need. Our request is that the London borough of Barking and Dagenham be allowed to exit the housing revenue account as soon as possible. The housing finance review is due to report to the Housing Minister "later in the year", even though that was originally planned for April. We need to be able to exit on terms that leave a viable council housing service in the borough which can afford to borrow to develop its homes and our estates.

I shall make a number of points about the operation of the housing revenue account in our borough. It seems perverse that a national subsidy system which is meant to reward well-run and prudent councils should have such a negative effect on Barking and Dagenham's ability to meet Decent Homes standards and provide new homes for its current and future tenants. A borough that is the seventh most deprived in London and has the fastest-changing demographic profile in the country should simply not be paying £22 million to the Government from the rent paid by its own tenants. Each week, the average tenant in Barking and Dagenham pays £24 as a portion of their rent for which they receive no service.

[Jon Cruddas]

The subsidy paid to the Department for Communities and Local Government excludes about £13 million that the Government allow the council to keep as major repairs allowance, or MRA. That sum is intended to meet the year-on-year costs of Decent Homes for elements, such as repairs, baths, kitchens and rewiring, that become due for renewal in-year. The sum itself is not sufficient to allow for the renewal of those items and, worse still, the Government require the council to spend it as cash rather than put the money into borrowing.

If the council put £13 million into borrowing, it would be able to meet all its Decent Homes obligations for some time to come. It could make substantial investments in improving the locality's estates. Tenants in Barking and Dagenham have made it clear in successive surveys that they want the council to remain their landlord, yet the Government's subsidy system is rapidly driving the council out of the housing business. That is not what local people want. They want the council to invest the money that they pay in rent to improve their living conditions, and we all agree that those are needed.

The London borough of Barking and Dagenham has put forward a couple of proposals to the Department for Communities and Local Government over the years about how the council could leave the subsidy system. Neither the tenants nor the council want to transfer stock to a registered social landlord, whether an existing or a newly created one. However, if the council did so, the Government would allow it out of the subsidy system and contribute many millions towards the cost of meeting the Decent Homes standard. If that large amount of money can be provided to the council in a large-scale voluntary transfer, why is it not possible to invest the money through the democratically elected council whose tenants so clearly wish that to happen?

In a recent interview for *Inside Housing*, the Minister for Housing said that her real priority was to ensure the provision of new homes, and we all totally agree with that. However, it is simply not enough. There are two points about our own housing stock. First, we cannot neglect people in existing communities who have existing housing needs. To condemn 20,000 households in our borough—to make inadequate investment in their homes, their future, and the area in which they live—is wrong. Secondly, if Barking and Dagenham were allowed to retain the negative subsidy of some £22 million and invest its MRA in the way best suited to local people's needs, it could easily begin to build new council housing—and the Prime Minister himself has said that he wants to encourage local authorities to do that.

Barking and Dagenham is a well run and prudent council. Its comprehensive performance assessment, or CPA, rating is excellent and it is improving strongly. Its CPA housing score is 4 and it has Housing Corporation accreditation to manage property built with public money. Its tenants and local people generally want the council to remain their landlord. They want investment in their homes, and new homes to be built for their sons and daughters.

The money to do those things exists locally, but the housing subsidy regime effectively prevents that from happening. The review of the subsidy system, which has been going on for some time, has yet to produce any results. The six pilots, conducted nationally to see whether it is possible for housing authorities to exit the housing revenue account, have so far come to nothing. No one can be confident that there will be any positive outcome from this exercise. As I said earlier, the review of the subsidy system, due to report to Ministers soon, has been delayed. In the *Inside Housing* article to which I referred earlier, the Minister said that she was not concerned about the time scale of the review. We should be.

I am sure that Barking and Dagenham will continue to work with the Department for Communities and Local Government and put forward models through which it might leave the housing revenue account without a traditional stock transfer. However, there must be a degree of political will if the proposals are to succeed. The Department must show real leadership and commitment to the reform of the housing revenue account. It must give councils such as mine in Barking and Dagenham, which have strong local support and the ability to deliver, the chance to deliver.

One other factor cannot be ignored in this debate. As I have said, increasing social housing—particularly providing new family homes—is a top political priority for our council. Speaking as a local MP, I can say that housing is the outstanding issue in my caseload, and locally, it is the outstanding issue of public policy in our community. We are also on the front line in the fight against the far right—the British National party. The BNP has ruthlessly sought to exploit the issue of working-class families being unable to gain access to good-quality social housing. It has ruthlessly racialised this debate and linked it to demographic changes in the borough. Increasing the supply of social housing is therefore absolutely critical in maintaining community cohesion locally. This debate on the negative subsidy is not an abstract debate—it is central to the day-to-day cohesion of our borough and critical in enabling us to deal with the frustrations involved in access to social housing and with the rise in the appeal of the extreme far right.

Negative subsidy is not just a problem for Barking and Dagenham; it is growing across the country. Portsmouth is losing £6 million, Waverley is losing 49p in every pound of rental income, and Sutton is projected to lose over £10 million in the next financial year. The problem is getting worse every year. Unless we sort it out, our broader, more laudable aims of building more homes will not be realised. It is estimated that some 5 million people will soon be in need of social housing, and the number is continuing to rise. With the credit crunch, the economic crisis becomes a social crisis; we face 75,000 repossessions this year alone.

The private sector will not build the units required. The business model of the private sector has effectively collapsed. Starts this year will be way under 100,000 units; the Government's stated objective of 240,000 extra units a year is a very distant objective. Where will those units come from? We have to rebuild a mixed economy in the supply of housing. In order to do that, we must allow councils to build more social units. In Barking and Dagenham, we have a council desperate to build those units, we have thousands of residents desperate for more social housing, and we have the land to build it on—but we also have a system of negative subsidy that acts as a road block to our providing these new homes. All we are asking is for the Government to help us to do what we want to do and dismantle the system of negative subsidy.

2.47 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Sadiq Khan): I congratulate my hon. Friend the Member for Dagenham (Jon Cruddas) on securing this debate. It is an honour for me to respond at the Dispatch Box to somebody whom I admired long before I entered the House, and to address the very important matter that he has raised. He has demonstrated in the preceding 15 minutes why he is a champion for the people of Barking and Dagenham in particular.

In relation to the specific problems that exist in Barking and Dagenham, it is worth pointing out that the permanent secretary at the Department for Communities and Local Government recently wrote to the chief executive suggesting a meeting to discuss some of the serious issues that my hon. Friend raised. I ask him to speak to the chief executive to ensure that that offer is taken up. It is always easy to make offers on behalf of ministerial colleagues, but I am positive that the Minister for Housing, too, will be happy to meet him to discuss these important issues.

As regards building new council housing, my hon. Friend is right to say that the Department is consulting on new freedoms that should help councils to build more council homes. That would mean, for example, councils keeping all the rental incomes from new homes that they build, and the full capital receipts if those homes were sold in future under, for example, the right-to-buy scheme. We are also inviting councils to bid for social housing grant, which is capital subsidy for new housing. Previously, local authorities have not been able to get that funding; my hon. Friend will know about the unfairness of that skew. He rightly said that the consultation closes in April and that we hope to implement these changes in May or June. I invite him, when he speaks to his council, to ask it to start discussing with homes and communities agencies whether they want to be involved in this project.

I agree with my hon. Friend's comments on the concerns about the major repairs allowance and funding borrowing. We are aware of those concerns. Clarification is required on these issues, and we are considering whether it would be helpful, for example, for the Department to clarify its guidance.

A lot of the changes that my hon. Friend mentioned came about because of the pressure that he put on the Department, and because of his raising issues not simply outside No. 10 Downing street, but in constructive conversations and meetings, and lobbying Ministers in my Department and throughout government.

For those who misunderstand the position, I would like to put on record the context of the housing revenue account subsidy system. It provides a framework for financing the upkeep of council housing stock. Since the 1930s, successive Governments have used a subsidy system to ensure that the country's council housing is maintained, but we have to accept that when we inherited the current system—and my hon. Friend will know this because he played a crucial role in the run-up to this Government's election in 1997 and thereafter—it was clear that action was needed to halt a long-standing and continuing decline of the national stock.

To put that remark in context, let me say that in 1997, we inherited a £19 billion backlog of repairs and maintenance in council housing stock. In 2001, this Government brought in the decent homes programme, because we want every tenant, including those in Barking and Dagenham, to have a decent place to live, produced to a good standard. In 2001 we brought in the major repairs allowance, which provided a massive injection of £1.5 billion of resources to stop the long-term deterioration of the stock, on top of the £40 billion we had put in to deal with the major works taking place in 3.6 million social homes.

Why have I spent a few moments talking about that? These matters, together with allowances for management and maintenance, and provision for debt, are resourced through the subsidy system, tenants' rents and, when needed, subsidy from the Government. I understand, as do ministerial colleagues, that some councils, such as Barking and Dagenham, feel that the system does not work for them, but I am sure that my hon. Friend will accept that not all councils can raise enough through their rents to cover their costs. Our policy is that social rents should be affordable and below those of the private market sector. We do not want councils to raise their rents beyond what people can afford. To keep rents affordable, the system redistributes resources from councils that make more in rental income than they spend to those that do not.

As my hon. Friend will be aware, some councils are unable to raise locally what they need to spend on their council housing stock, and not all of them are inefficient. For some, it is simply a statement of fact that they cannot raise the money locally. The hon. Gentleman referred to 156 local authorities paying negative subsidy, but about 50 local authorities in the country receive a subsidy, so there is a strong rationale for redistribution. It brings a degree of equity between councils, it protects certain tenants from high rent bills and it helps by not adding to the tax burden.

If after resources have been redistributed there is still an overall funding gap, however, the Exchequer makes up the difference. Since 2001, there has been an overall gap each year, which has been subsidised by around £1.3 billion in total from the Government. It is only from this year, because of how the system works, that that gap has once again turned into a surplus that goes to the Exchequer. I know that that is unpopular in some quarters, but the Treasury has planned to spend £5.9 billion on housing in 2008-09—far more than the £194 million or so going back into the system.

There is one important caveat, which my hon. Friend mentioned. We are experiencing an unprecedented global downturn. The Minister for Housing announced on 6 March that the national average guideline rent increase would be cut in half from 6.2 per cent. to 3.1 per cent. The upshot is that we do not expect any overall surplus in 2009-10. In deciding to reduce rent increases we wanted to make sure that rental income would be retained locally. In these unusually difficult economic times, it is right for the Government to offer real help to council tenants. We will be looking at the position again for 2010-11 when we get a bit closer to the time.

Surpluses are nothing new. The national account was in overall surplus from the first year for which records exist until 2001, so we are not looking at some new and unfamiliar issue.

[Mr. Sadiq Khan]

My hon. Friend described the subsidy system as containing structural flaws and fundamental problems, and I accept that there is room for change. We recognise the concerns that are being raised by councils such as Barking and Dagenham, and it is worth pointing out that he has been an advocate of bringing those concerns to the fore, especially at a time of increasing surpluses. Because of those concerns, the DCLG and the Treasury agreed to a fundamental review of council housing finance. I know that he is concerned about the time scale of that review. My understanding is that it is due to report in the spring. I have checked with my officials, and he will be pleased that I can tell him how the civil service defines spring. He will be disappointed to know that it does not begin on Sunday but takes place over a number of weeks and months. The advice that I received from my officials before I rose to speak was that the target is still spring, and I shall endeavour to write to him when I have a specific date that will mean more to residents in his constituency, who are understandably concerned about the fruits of the review.

We want to ensure that there is a long-term sustainable system for the future that is fair and affordable for councils, tenants and taxpayers. My hon. Friend is right to say that there appear to be perverse incentives. We do not want good councils such as the one in the community that he has the pleasure of representing, with which he works in close partnership, to be inadvertently punished by a system that appears to be past its sell-by date. The review has been examining in depth the cost of landlord business rents and the use and redistribution of surpluses, and I hope that the report will go some way towards addressing the concerns of his constituents in Barking and Dagenham.

Whatever system we have in future, it must recognise that the cost of keeping council houses varies across the country. As I have said, there are still more than 50 councils receiving subsidies, and the system needs to be fair to them as well as to councils such as Barking and Dagenham that are in surplus. For now, we have a system intended to provide decent homes at rents well below market levels for some of the most vulnerable in our society. We have a benefits system to provide a safety net for those struggling to pay their rent, but we want to ensure that the system works as well and as fairly as possible for all. That is why in the short term, as I have said, we have halved average guideline rent increases in 2009-10, and why we will re-examine the increases for 2010-11.

I wish to end by making some constructive points about things that I hope will benefit my hon. Friend's constituents in the immediate and short-term future. I confirm that the permanent secretary has offered the chief executive of my hon. Friend's council a meeting as soon as possible involving relevant officials from the council and from DCLG. It is important for the council to contact officials at the Homes and Communities Agency to ensure that it can be at the forefront of new builds.

My hon. Friend is right to say that one thing that the far right uses to recruit people to its cause and to spread myths in the community is the finite supply of housing and the perceived unfairness of what happens to the receipts from the rents paid by some of the most vulnerable people in our community. I hope that he will continue working with my ministerial colleagues and the Department so that we can ensure that the benefits of those receipts are seen not just in Barking and Dagenham but around the country.

Question put and agreed to.

2.58 pm

House adjourned.

House of Commons

Monday 30 March 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Air Trooping Arrangements

1. **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): What recent assessment he has made of the capacity and reliability of air trooping arrangements. [267175]

6. **Mr. Peter Bone** (Wellingborough) (Con): What recent assessment he has made of the capacity and reliability of air trooping arrangements. [267180]

The Secretary of State for Defence (Mr. John Hutton): The capacity and reliability of our air trooping arrangements are kept under constant review. Our capacity is sufficient to support the force levels currently committed to operational deployments. Some 92 per cent. of all UK trooping aircraft to and from Iraq and Afghanistan now arrive within six hours of their scheduled time.

Mr. Vara: I am grateful to the Secretary of State for that reply. Despite having committed us to two wars, the Government have failed miserably to ensure that our troops have proper aircraft to be able to do their jobs safely and efficiently. Will he kindly inform the House what plans he has to rectify the failing?

Mr. Hutton: I do not accept the premise on which the hon. Gentleman's question rests. We have made significant investment: last year, we purchased two new C-17 aircraft to support these arrangements, and we have plans for significant additional procurement of aircraft to sustain them into the future. Given that we are fighting on two fronts, it is obviously important to have sufficient capacity to support troops who are fighting in our name in those two theatres—and we do. The draw-down of forces in Iraq, along with other measures that we are taking, will also significantly contribute to easing the pressure on the air bridge.

Mr. Bone: Members of the armed forces would be very surprised at the Secretary of State's response so far. It is a fact that other parts of the armed forces blame the Royal Air Force for delays and breakdowns in the air bridge, but is not the real truth of the matter that it is the Government's fault for not providing sufficient modern aircraft? Would he like to take this opportunity to apologise to the brave men and women of the RAF for the Government's incompetence?

Mr. Hutton: Once again, I do not accept anything that the hon. Gentleman has said. It is quite unfair for blame to be attached to the Royal Air Force, which does an outstanding job in supplying our troops in Iraq and Afghanistan with the kit and capabilities that they need to do their job properly. We have made a very significant investment in new aircraft, and we are committed to making further substantial improvements to ensure that we have the aircraft, and therefore the supply lines into Iraq and Afghanistan, that our troops need.

David Taylor (North-West Leicestershire) (Lab/Co-op): NATO's 60th anniversary summit will take place in Strasbourg this week, and it seems probable that President Obama may ask Britain to participate in his planned surge by allocating a further 2,000 troops, thus taking our number to 10,000. How convinced is the Secretary of State that the present trooping arrangements are sufficiently robust, flexible and reliable to handle any such request in a smooth and effective fashion?

Mr. Hutton: I am grateful to my hon. Friend for that question. We do keep force levels in Afghanistan under careful review. We have not yet received any request from anyone to supplement existing levels of UK forces in Afghanistan but, as I have said, we keep an open mind about all these matters.

Angus Robertson (Moray) (SNP): Some real problems have been faced by returning service personnel who have had long onward journeys home from recent visits to Iraq and Afghanistan—constituents of mine from Buckie, Elgin and Forres have all said that this is a live issue. Will the Ministry of Defence look closely at the problems faced by returning service personnel who have long onward journeys and at the subsequent loss of their home leave? That leave is obviously very precious.

Mr. Hutton: Yes, we will obviously do that. I am not standing here to say that there are no improvements that can be made—of course, there are some. We work very closely with the services to try to ensure that we make improvements where we can. I accept absolutely the concerns that the hon. Gentleman has raised—we are alert and alive to them, and we are trying to work our way through those problems.

Mr. James Gray (North Wiltshire) (Con): Given the reported four-year delay in the delivery of the A400M, is now not the time to start rethinking our entire policy on transport aircraft? We could extend the life of the C-130Ks, we could buy some more C-17s and, above all, we could keep them at RAF Lyneham.

Mr. Hutton: Again, I think that we need to keep all the options open. The delay in the A400M is a matter of extreme regret and it poses very serious questions about the sustainability of our air logistics services—we will not compromise on those. We are having discussions with the partner nations to the A400M contract and with Airbus Military. We have to find a pretty rapid solution to the problem that has presented itself to us, but one thing I can say to the House is that we will not be content with a gap in capabilities.

Patrick Mercer (Newark) (Con): The Secretary of State will be aware that a fortnight ago I was with my old battalion, the Worcestershire and Sherwood Foresters Regiment, as it deployed to Afghanistan. The worries of the families clearly revolved around the possible death or injury of their husbands, boyfriends and so on, but, above and beyond that, on the regiment's previous tour they deeply resented the delays caused to rest and recuperation flights back from Afghanistan and to the final trooping flight when the battalion returned from there. I cannot overestimate the resentment that this caused, so will the Secretary of State assure me that will not happen again to the battalion?

Mr. Hutton: Sadly I cannot give a 100 per cent. assurance. When there are interruptions in the air trooping arrangements, the mistake that many people make is to assume that they are because the aircraft are not capable of flying, or there is some other problem, when the problems are often to do with the operational effectiveness of the defensive aid suites that are fitted to the aircraft. They are complicated systems and we will not compromise on safety. If something is not functioning in the defensive aid suites, the flights will be delayed until that can be rectified. I fully acknowledge the frustration that that causes for servicemen and women and their families, and I assure the hon. Gentleman and the House that we do everything that we possibly can to minimise disruptions. But we will not compromise on safety.

Mr. Andrew Robathan (Blaby) (Con): I went to Afghanistan in February, courtesy of the MOD, and I thank the Secretary of State for an interesting and valuable—albeit short—visit. In my experience—borne out when we went to Afghanistan—the RAF air bridge does not work well. The delay was not important for Members of Parliament, but for the soldiers, some of whom we met at Brize Norton and who had been waiting for three days. Part of the problem was aircraft and part of it was weather, but overall it was poor organisation—and the Secretary of State should look into that.

Mr. Hutton: I understand that the problem with the hon. Gentleman's flight was weather, and it was delayed for several hours. I referred in my original answer to the figures on punctuality, and I accept that punctuality is an important issue. We all understand the consequences of serious delay, and the effect that it can have on morale and families. We do everything that we can to minimise that. Sometimes, unfortunately and for a variety of reasons, there will be delays, but 92 per cent. of flights arrive within six hours of their scheduled arrival time.

Dr. Liam Fox (Woodspring) (Con): Is not the truth that the main problem is simply that the TriStars we are using are clapped out, with only 44 per cent. of the fleet fit for purpose? The future strategic tanker aircraft, which is the replacement aircraft for both troop transport and the re-fuelling tanker, was supposed to be in service in 2007 initially: we are now told that it will be at least 2011. On top of the Nimrod delay of 92 months, the Astute submarine delay of 47 months and the Type 45 destroyer delay of 42 months, is not defence procurement another fine mess Labour has got us into?

Mr. Hutton: No, and the hon. Gentleman should be very careful citing those examples, because those were all contracts let by the former Government. They were not let on proper terms, and that is especially true for the Astute contract—and he should know that. We do supplement with commercial scheduled flights where we can, and that has taken some of the pressure off the air bridge, but we continue to look very carefully at ways in which we can improve the service that we provide to our servicemen and women.

Dr. Fox: Is not the prevarication that we have seen exactly what we are now seeing with the A400M military transport fiasco? If that project is cancelled, and we are the last to pull out, we may be at the end of the queue to buy the necessary alternative capabilities—losers yet again. Thomas Enders, the chief executive of Airbus, said:

"It is better to put an end to the horror than have horror without end."

Leaving aside the obvious political parallels with this Government, when will Ministers make a decision?

Mr. Hutton: We will come to a decision on the A400M in July.

Joint Strike Fighter

2. **Mr. Michael Jack** (Fylde) (Con): What steps his Department has taken to increase the UK's involvement in the joint strike fighter programme; and if he will make a statement. [267176]

The Secretary of State for Defence (Mr. John Hutton): The UK remains fully committed to the joint strike fighter programme. Two weeks ago I announced that the UK would procure three instrumented test aircraft and associated support equipment to enable UK participation in the operational test and evaluation of the joint strike fighter air system.

Mr. Jack: While I am grateful to the Secretary of State for confirming the purchase of three aircraft, his answer was bereft of any mention of the question of operational sovereignty. Is it wise to have bought three aircraft at this stage without having a cast-iron agreement with the United States that the UK will have operational sovereignty for the aircraft both now and in the future?

Mr. Hutton: I know that the right hon. Gentleman takes a close interest in these matters. He will be aware of the memorandum of understanding that we have with the US. The whole point of the procurement of the aircraft is to ensure UK operational sovereignty and, without the purchase of the three test aircraft, that would not be possible.

Mr. Lindsay Hoyle (Chorley) (Lab): The technology transfer is, of course, very important to the future of the aircraft. Can we ensure that those negotiations will continue; that we will have the capability of assembly and full maintenance; and that the research and developments jobs in the north-west will continue and we will not lose those skills, because they are second to none?

Mr. Hutton: I can absolutely give my hon. Friend that assurance. Up to 100 British companies stand to gain from the joint strike fighter aircraft and that fact is a very important part of our considerations as we take the project forward.

Robert Key (Salisbury) (Con): How serious are the remaining delays caused by arguments about intellectual property rights and the Export Control Act 2002 in this programme?

Mr. Hutton: I do not think they are very serious.

Afghanistan-Pakistan Border

3. **Willie Rennie** (Dunfermline and West Fife) (LD): What recent assessment he has made of the security situation in the border area between Afghanistan and Pakistan. [267177]

The Secretary of State for Defence (Mr. John Hutton): The porous nature of the border between Afghanistan and Pakistan is a major concern. The UK, along with our coalition partners, is working closely with the authorities in both Afghanistan and Pakistan to achieve the necessary improvements in security.

Willie Rennie: The porous border has been an issue for a number of years, as the border people in that area do not even recognise the border. For some time, too, there has been a shortage of troops to secure the area. What assurances and commitments have we had from our NATO allies to commit more troops to the region, and when will we commit troops ourselves?

Mr. Hutton: We have not yet had any commitments from European Union or NATO forces. We are looking at our own force levels, as I said earlier in response to my hon. Friend the Member for North-West Leicestershire (David Taylor). The United States has decided to deploy significant additional forces to the south and east of Afghanistan, which I hope will contribute to greater security on the Afghan side of the border. There need to be improvements in security on the Pakistan side, too. We have had a number of discussions with senior military figures in Pakistan and we continue to work with the Pakistan military to improve their capabilities and capacity to improve border security on their side of the Durand line. I do not envisage that there will be any instantaneous improvement in border security. It will take us time to achieve that, but the UK is working very closely with Pakistan to improve its capabilities.

Mr. David Hamilton (Midlothian) (Lab): Will my right hon. Friend assure us that he will not withdraw from our relationship with Pakistan at this very difficult time? There are people who argue that we should withdraw diplomatic relations. It should be remembered that Pakistan is losing far more troops than anyone else in trying to secure that border, so will he give assurances that he will maintain that relationship?

Mr. Hutton: Yes, we will certainly do that. Pakistan is not the culprit but the victim of this type of violent extremism. The Pakistani security forces up in the federally administered tribal areas, down in Waziristan and along the border have fought long and hard against the extremists, who are a real threat to the democracy of Pakistan, too. We will continue to work with Pakistan. They are our friends and allies and share a common assessment of the menace posed by such extremism.

Mr. James Arbuthnot (North-East Hampshire) (Con): Does the Secretary of State accept that the events in Lahore today show that instability in Afghanistan and Pakistan extends far beyond the border region? While we have troops in Afghanistan, we do not have them in Pakistan. Is the Secretary of State, along with the United States, rethinking his entire strategy for the region? Will he make a statement and perhaps allow a debate and possibly even a vote in this House about that?

Mr. Hutton: Yes, we are looking very carefully at all these matters. I am sure that there will be an opportunity to have a proper debate in this place in the usual way, either on a statement or in another way. It is very important not just for the security of our operation in Afghanistan but for the security of the UK as a whole that we develop an approach that encompasses the security challenge that Afghanistan poses as well as the growing threat of instability and extremism in Pakistan. We very much welcome President Obama's new strategy, which was published last week. It has the prospect of significantly improving the situation in that very troubled region and we stand ready to play our part.

Mr. David Crausby (Bolton, North-East) (Lab): Is my right hon. Friend satisfied that our relationship with the Pakistani intelligence service, the ISI, is in good enough shape to ensure that we deliver effective operations on the border between Afghanistan and Pakistan?

Mr. Hutton: No, not entirely. We continue to exert whatever positive influence that we can, but the situation is very complicated. I cannot really confirm or deny very much about the nature of some of the more recent stories in the newspapers, but we know that there is a problem and it has to be addressed. Efforts are being made to address the problem, but we cannot have covert support being given either to al-Qaeda or to the Taliban in Pakistan. Not only is that a risk to our troops, whom we protect absolutely as a premium, but it is a direct threat to the stability of Pakistan.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Is the Secretary of State aware that the Afghan Taliban have recently been successful in persuading the Pakistani Taliban to defer some of their operations in Pakistan and to join their Afghan colleagues to help to try to deal with the expected American surge? If the Afghan and Pakistani Taliban can get their act together, is it not about time that the Afghan and Pakistani Governments were also able to do so? Will the Secretary of State speak to his Pakistani colleague and impress upon him that the security of Afghanistan is crucial to the security of Pakistan itself?

Mr. Hutton: I agree very strongly with the right hon. and learned Gentleman. I have already had those conversations with the Pakistani Minister of Defence, and I have had those conversations regularly with the Afghan Minister of Defence as well. I agree with the

right hon. and learned Gentleman 100 per cent., and we are focused very clearly on doing exactly what he has just said.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The Secretary of State acknowledged that it is a porous border. It is also a very contested border. The long-term solution will involve strengthening the capabilities of Afghan forces. To what extent is he working more with the Afghan army, which is making good progress, but also with the Afghan police, where I gather that progress is less satisfactory than with the army?

Mr. Hutton: We have made some significant progress in training the Afghan army. There are now nearly 70,000 trained personnel in the Afghan forces, but that simply is not enough; significant further increases are needed. However, there is a lot more work to be done in training the Afghan police, who are simply not in a proper state, I am afraid, at the moment to contribute to dealing with the problems on the border. We are working with the Afghan security forces, the Interior Ministry and the Ministry of Defence in Kabul, to improve capabilities there. The recent announcement of very significant additional US forces, with a specific training and mentoring role, will again offer prospects in the year ahead, so that we can make significant further progress, but this remains a fundamental concern. There is a weakness in the quality and capabilities of Afghan security forces, and it must be addressed.

Sir Menzies Campbell (North-East Fife) (LD): There are persistent reports that the Treasury would veto any attempt to deploy further British troops to Afghanistan. Can it possibly be the case that the strategy of the right hon. Gentleman's Department is being determined by the Treasury?

Mr. Hutton: I think that the facts speak for themselves—*[Interruption]*—although perhaps not in the way that Opposition Members think. If one looks at the facts, we see that the British mission in Afghanistan has increased significantly in the past three years—from an initial deployment of 2,000 or 3,000, up now nearly to 8,500 and beyond—and that has been properly and fully resourced by the Treasury. So there is no substance in the right hon. and learned Gentleman's point.

Mr. Brian Jenkins (Tamworth) (Lab): The Secretary of State mentions that the coalition of forces provides security in the region. Will he comment on the contribution made by the smaller nations within NATO—countries such as Estonia, with a population of just over 1 million, which supplies 150 troops at present in Afghanistan? Would he like to send a message to those countries?

Mr. Hutton: Yes, I certainly would. The Estonian contingent in Helmand has done an absolutely superb job, and many hon. Members will have seen those troops serving alongside British soldiers; they are literally shoulder to shoulder. They are superb fighters, and they have done a fantastic job. I was in Copenhagen last week to express on behalf, I hope, of the whole House our respect and admiration for the Danish forces that are also fighting in Gereshk in central Helmand. Those forces, too, have done an absolutely superb job. We are lucky and fortunate to have those allies in Helmand, but we could do with more.

Mr. Gerald Howarth (Aldershot) (Con): Given his Department's acceptance that Britain's armed forces are

"continuing to operate above the overall level of concurrent operations which they are resourced and structured to sustain over time",

where does Secretary of State expect to find the troops for any increase in Britain's presence in Afghanistan if that is what he decides to do? Pursuant to the question asked by the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), will the Secretary of State give the House an unequivocal undertaking that any such increase will be fully funded in year by the Treasury?

Mr. Hutton: On the first part of the hon. Gentleman's question, I do not want to identify particular units or do anything like that today—that would be wrong—but the draw-down in Operation Telic will create an operational breathing space, and it might be possible to find additional resources in that way if a decision was made to deploy additional forces. That is at least a partial answer to his question.

On the money issue, as I have said, the Treasury has always supported to the full our contingent operations in Afghanistan, and that will continue to be the case.

Warship Construction Programme

4. **Mr. David Amess** (Southend, West) (Con): What recent progress has been made on the warship construction programme; and if he will make a statement. [267178]

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): This is an historic and momentous programme, and it continues to make progress. It involves the new Type 45 destroyers, the Astute class submarine, the two new carriers and, following on from them, the future surface combatant. The result of the programme will be that in decades to come, the Royal Navy will continue to be one of the world's most powerful maritime forces.

Mr. Amess: I am not sure what progress has been made, because the Government's 1998 strategic defence review stated that the Royal Navy needed 32 frigates and destroyers to meet our national security objectives. Astonishingly, there are only 22. Will the Minister explain to the House what has happened to the overall objectives of that review? Have they been abandoned? If not, how will the Government meet them?

Mr. Davies: The answer lies partially in changes to the threat in the world, and partially in the increased capability of the ships that we are building. The Type 45 destroyer, for example, is vastly more capable than the Type 42 that she is replacing.

Mr. Nicholas Soames (Mid-Sussex) (Con): As that programme is clearly not wholly affordable, what steps does the hon. Gentleman intend to take to bring it into a more affordable position? In addition, none of the warships will be able to operate without a new fleet

support operation. On what date will the new MARS—military afloat reach and sustainability fleet—concept come into full operation?

Mr. Davies: The programme is indeed affordable, and we recently confirmed that in the equipment examination that my right hon. Friend the Secretary of State announced in a statement in this House in December. As for the MARS programme, we are focused on it and will make announcements in due course.

Mr. Bernard Jenkin (North Essex) (Con): If this programme is so affordable, why have the Government been forced to extend the life of the Type 23 frigates, so that they will be the oldest frigates in service in the Royal Navy since the days of sail?

Mr. Davies: I do not know whether the latter point is correct, but I am quite convinced that the Type 23 frigates will continue to be able to meet their current out-of-service dates. They will be replaced, in due course, by the future surface combatant; it is my intention that they should begin being built in the yards as soon as the second carrier has been launched.

Dr. Julian Lewis (New Forest, East) (Con): On 12 January, the Secretary of State said in an oral answer:

"As regards naval construction, we have the largest programme under way since the end of the first world war."—[*Official Report*, 12 January 2009; Vol. 486, c. 16.]

The Under-Secretary of State for Defence, the hon. Member for Grantham and Stamford (Mr. Davies), said in a written answer on the same day:

"We are currently engaged in the most substantial peacetime naval shipbuilding programme since the first world war."—[*Official Report*, 12 January 2009; Vol. 486, c. 71W.]

Given that over the past 11 years, the frigate and destroyer fleet has been cut from 35 to 23, or possibly 22, the attack submarine fleet from 12 to eight—it is heading for seven—and the new destroyer building programme from 12 to only six, and that the start date for the two carriers has been delayed, and whereas in the 11 years to 1939 we constructed six aircraft carriers, five battleships, 54 submarines—

Mr. Speaker: Order. As a former metalworker, I am always happy to hear about the construction of ships, but the question is too long.

Dr. Lewis: Then I will bring the question to its conclusion, if I may. Given the vast number of ships constructed over a similar period up to 1939, including 117 destroyers, how can the Minister justify the statements that were made on 12 January?

Mr. Davies: First, I think that the hon. Gentleman may have prepared his extremely long question before he heard the answer that I gave to the hon. Member for Southend, West (Mr. Amess) about the present programme. If I may respectfully say so, the question asked by the hon. Member for New Forest, East (Dr. Lewis) also confuses the issue of current numbers and the issue of the current construction programme. I repeat that the current construction programme is the largest that we have engaged in, in terms of capability and tonnage; the 65,000-tonne carriers will be the largest ships ever built by the Royal Navy in her history. The hon. Gentleman would do well to reflect on that, and to consider the fact that that is a decision taken by this Government. I shudder to think what might happen under a future Conservative Government, if there were one, to our naval shipbuilding programme, or to our procurement programme, because the Conservatives still have not told us how they would finance the three new battalions.

Vanguard Class Nuclear Submarine Reactors

5. **Mr. Colin Breed** (South-East Cornwall) (LD): What work is being carried out on Vanguard class nuclear submarine reactors at Devonport dockyard; and if he will make a statement. [267179]

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): We announced on 2 March the award of a contract to Babcock Marine to complete the overhaul of HMS Vigilant. This is the third of four planned overhauls, following the completion of those for HMS Vanguard and HMS Victorious. The overhaul for HMS Vengeance will follow HMS Vigilant's.

Mr. Breed: The question concerned reactors, and I heard nothing about reactors in that answer. The Minister will know that there was a fairly large public consultation on the storage of old reactors from the T-class submarines, but that did not include the Vanguard class. There is concern that that plant will also be stored in Devonport, which is wholly against the purpose of the public consultation. It was about the temporary storage of T-class submarine reactors. It did not include the storage of any Vanguard reactors, which will now, apparently, take place.

Mr. Davies: The hon. Gentleman may be interested to know that the current overhaul includes refuelling the reactor with a new core, core H, which will fuel her for the remainder of her operational life. On the storage of reactors, it has always been our policy to store reactors in situ, in this case in Devonport, until the ISOLUS—interim storage of laid-up submarines—programme comes into force, under which we will put forward a new policy for dealing with the long-term future of these nuclear reactors. We will make an announcement on that subject next year, after the strategic environmental assessment, which will take place later this year.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Can my hon. Friend confirm that the work referred to by the hon. Member for South-East Cornwall (Mr. Breed) has been accepted by the Environment Agency as in line with the licence that was granted when the work was extended to those submarines? Can he also confirm that the skilled work involved in the submarines is the anchor for ensuring that Plymouth will remain an important centre of naval engineering excellence in the future?

Mr. Davies: I can confirm my hon. Friend's suppositions on both fronts. It is right that all the work we do on nuclear reactors in Devonport is under the regulation of the Environment Agency, the Health and Safety Executive and our own defence nuclear regulator, so she can be reassured about that. The future of Devonport is bright, and I cannot conceive of any scenario in which her assumptions would not be correct.

NATO Military Structure (France)

8. **Paul Rowen** (Rochdale) (LD): What recent discussions he has had with his French counterpart on France rejoining the military structure of NATO. [267182]

The Minister for the Armed Forces (Mr. Bob Ainsworth): My right hon. Friend the Secretary of State for Defence has had a number of discussions with the French Defence Minister in recent months. These discussions covered a range of issues, including NATO, and more specifically, the French return to the military structure of NATO.

Paul Rowen: Now that France has taken the historic step of joining the NATO command structure, what are the Government doing to ensure that the wider concerns shared by our Government, France and our allies in the EU, such as Cyprus/Turkey, security on our eastern Mediterranean border and our commitments in Afghanistan, are met?

Mr. Ainsworth: We try to co-operate in every way we can to assist the French. We welcome their return to the NATO command structure. That in itself will not sort out long-standing problems such as Cyprus, which are a huge challenge to co-operation between the European Union and NATO, as the hon. Gentleman knows. We are hopeful that the process of reconciliation in Cyprus will go forward. There are optimistic signs, although the problem has gone on for a long time, and nobody can bank on an early solution. The French will now join in the planning of arrangements for the security of other NATO countries and our operations in Afghanistan.

Sir Patrick Cormack (South Staffordshire) (Con): When the Secretary of State meets his French counterpart later this week, will he take him to one side and tell him that it is vital that the larger nations of NATO, among which France is extremely crucial, play a full and fuller part in Afghanistan? Perhaps the Secretary of State could take the French Secretary of State along to congratulate the Estonians.

Mr. Ainsworth: My right hon. Friend will speak to his French counterpart later today, although I do not know what the subject of the conversation will be.

Burden sharing in Afghanistan is of course important, and we raise the issue all the time, but let us not write off the contributions that other nations make. The French have about 3,000 troops in Afghanistan. If they could make a bigger contribution we would welcome that. We encourage all our NATO allies, large and small, to participate in the burden sharing necessary to ensure that NATO tasks in Afghanistan and elsewhere are carried out equitably.

Nick Harvey (North Devon) (LD): Given the challenges facing the defence budget in the coming years, what further plans do Ministers have for increasing co-operation with the French? Does the Minister agree with the late and much-missed Lord Garden that the question is not so much about politics as arithmetic? Without compromising sovereignty over core defence roles, what potential does the Minister see for sharing our research and development work, co-ordinating our procurement timetables and possibly even considering more joint defence roles in future?

Mr. Ainsworth: Co-operation and interoperability are vital. Equally, sovereign control over our armed forces and their deployment is vital and will be maintained. The only thing I would say to the hon. Gentleman about pressures on the defence budget is that they would not be any less if his party were in government; actually, they would probably be a darn sight worse.

Dr. Andrew Murrison (Westbury) (Con): Will the Minister resist the Euro-zealotry of the Liberal Democrats and welcome the long-overdue repositioning of France away from a creeping EU defence identity towards its natural home, NATO? Will he take the opportunity next week in Strasbourg to discuss with France the delineation of security responsibility between NATO and the EU in accordance with Madeleine Albright's "three D" doctrine: no duplication, no disengagement from north America and no discrimination against non-EU NATO members—particularly Turkey, given current French antipathy?

Mr. Ainsworth: The hon. Gentleman's antipathy to the European Union in all its forms is pretty well known. Clearly, he has not listened to the French President's pronouncements on the issue of late; I do not know whether the hon. Gentleman's prejudice has stood in the way of that. The French President has said, in terms, that the EU and NATO should be complementary to each other and not duplicate each other's efforts and capability.

Normandy Veterans

9. **James Duddridge** (Rochford and Southend, East) (Con): What his Department's policy is on the provision of assistance to Normandy veterans to enable attendance at events to mark the 65th anniversary of the Normandy landings. [267183]

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): It has been the policy of successive Governments that special commemorations are initiated by the Ministry of Defence only for key anniversaries and centennials of events of the greatest national significance; other anniversaries do not receive MOD sponsorship at public expense.

On 26 March, I met representatives of the Normandy Veterans Association to discuss the support that the MOD might offer with the 65th anniversary. It was agreed that the MOD would assist the association with specific administrative tasks, including applying to the Big Lottery Fund for financial support to attend commemorative events in the UK and overseas, and that it would explore the possibility of a church service on 21 June 2009.

James Duddridge: May I ask the Minister to look again at this issue? It is outrageous that 500 people who fought for us in Normandy may not, for financial reasons, be able to go to the 65th anniversary celebration—the last celebration. It is no good the Government funding a 100th anniversary celebration—the veterans will all be dead by then. Let us look at this issue now. It is very important, and the general public and veterans are angry that the Government are not doing more.

Mr. Jones: Every year, the MOD puts substantial support into events on the Normandy beaches. On the last significant occasion—the 60th anniversary in 2004—large sums were given, and the Normandy Veterans Association formally announced that that would be last time it would parade. Since last year, there has been support—some £178,000—from the national lottery. Let me reiterate that the significance of these events was supported by the previous Conservative Government as well.

Trident

10. **Jeremy Corbyn** (Islington, North) (Lab): What his most recent estimate is of the cost of the replacement of the Trident nuclear warhead system. [267184]

The Secretary of State for Defence (Mr. John Hutton): We published our initial estimate of the costs for the possible refurbishment or replacement of the warhead for our future nuclear deterrent capability in the December 2006 nuclear White Paper. This is in the range of £2 billion to £3 billion at 2006-07 prices. We have not yet made a decision to develop a new UK nuclear warhead. However, work is being undertaken to inform decisions, likely to be taken in the next Parliament, on whether and how we might need to refurbish or replace our current warhead.

Jeremy Corbyn: Will the Secretary of State assure the House that there will be no expenditure on developing a new warhead without the specific approval of the House of Commons, and that he is satisfied that the development of a whole new warhead system is legal within the terms of the nuclear non-proliferation treaty, which comes up for review in 2010?

Mr. Hutton: Yes, I believe that it certainly would be within the framework of the non-proliferation treaty. The NPT did not require unilateral disarmament on the part of the United Kingdom, and we are able to maintain very properly within the terms of the NPT our minimum nuclear deterrent; and, yes, I believe that there should be a vote in this House before such a decision was taken.

Mr. Mark Harper (Forest of Dean) (Con): The opposition of the hon. Member for Islington, North (Jeremy Corbyn) to this policy is well known. The Secretary of State has made it very clear that renewing our current system is within the terms of the NPT, and that we are able to do that. He, like us, supports a multilateral disarmament approach. Can he give the House any idea about the time scales, not only for the development of the submarines, but about how well they are meshed in with the development of the warhead system?

Mr. Hutton: We have made it clear that we believe that the replacements for the Vanguard class submarines would be needed for 2024. An extensive time is needed to design, construct, build, test and operate the new submarines, which potentially will be very capable, and I think that that will take us up to 2024. As I said in my answer to my hon. Friend the Member for Islington, North (Jeremy Corbyn), a decision to renew the warhead will have to be taken by the House of Commons during the next Parliament. I believe that the programme that we set out in the 2006 White Paper is coherent and joined up.

Military Covenant (Mental Health Services)

11. **Mr. Richard Benyon** (Newbury) (Con): What recent assessment he has made of the effectiveness of the military covenant's provisions relating to the mental health of serving and former service personnel. [267185]

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): The MOD has a number of programmes to support our people—those in service and veterans. These include, for veterans, six mental health pilot projects and the medical assessment project run at St. Thomas's hospital by Dr. Ian Palmer. For service personnel in theatre, we have dedicated mental health teams of doctors and nurses who are all trained to spot the signs of mental health difficulties. In the UK, South Staffordshire and Shropshire is leading a consortium of seven NHS mental health trusts to provide in-patient care for service personnel. The Healthcare Commission assessed the MOD's department of community mental health as part of its review of the Defence Medical Services clinical governance process, which was published earlier this month.

Mr. Benyon: In a recent Royal British Legion survey, it was discovered that of 500 GPs in England and Wales, 85 per cent. knew nothing about the reservists mental health project and 71 per cent. knew nothing about the MOD's medical assessment programme. What are the Government going to do better to inform GPs, as well as reservists, about these programmes?

Mr. Jones: Two things. First, I am considering a system whereby when people, including reservists, leave the armed forces, that can be flagged up on their NHS medical records, which will give individuals who have had military service broader visibility to GPs. Secondly, there is an onus on us all to promote the six continuing mental health pilots and the project at St. Thomas's hospital. For the information of Members, anyone who wants to go to the Jubilee Room this afternoon will find that the Service Personnel and Veterans Agency is holding an open day to explain the services it provides for veterans in the UK.

Mr. Russell Brown (Dumfries and Galloway) (Lab): During last Thursday's debate, my hon. Friend the Minister indicated that the Department is

"working with service charities and other sectors on the welfare pathway, which will be announced later this year."—[*Official Report*, 26 March 2009; Vol. 490, c. 542.]

Will he expand on that statement, particularly in respect of the work being undertaken in different parts of the country?

Mr. Jones: I initiated the welfare pathway to ensure that we not only support our men and women when they are in service, but look after them in transition, and through life. I am working with other Departments, the Ministry of Defence and service charities; I have a meeting next week, and scoping work is going on. I hope to pull all the work together and announce the final piece of work in July.

Persian Gulf

12. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What recent assessment he has made of the capacity of the Royal Navy presence in the Persian gulf to counter seaborne threats. [267186]

The Minister for the Armed Forces (Mr. Bob Ainsworth): The Royal Navy currently contributes vessels to maritime taskforces in the Persian gulf as part of Operation Telic. The Royal Navy's capacity in the Persian gulf is appropriate to the threat, but kept under constant review.

Mr. Crabb: Alongside an extensive range of other commitments in the region, the Royal Navy has done some important work with the transition team alongside the Iraqi navy, which is in the middle of an ambitious programme to expand in size by 2010. How will the draw-down of British forces in Iraq affect that naval team, and will the Royal Navy be able to continue working with the Iraqi navy for the duration of the programme?

Mr. Ainsworth: We are discussing with the Iraqi Government what they would like us to do as part of our ongoing relationship since the combat mission of Operation Telic began in 2003. Although the talks have not concluded yet, the continued training of the Iraqi navy will be an important part of the process. That idea is certainly on the table and is being actively discussed, and we will make an announcement to the House as soon as we reach a conclusion with the Iraqi Government.

Sir Peter Tapsell (Louth and Horncastle) (Con): Will the Minister continue to bear it in mind that the main threat in the Persian gulf is that from land-based Iranian rockets, which are capable of threatening the passage of ships through the strait of Hormuz?

Mr. Ainsworth: We have to be mindful of the threat, no matter where it comes from. We have more available than just our forces at the top end of the Persian gulf. There is an existing and long-standing mine threat to international shipping, so the threat in the Persian gulf is complex and we must be mindful of it, no matter where it may come from.

Topical Questions

T1. [267200] **David Taylor** (North-West Leicestershire) (Lab/Co-op): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Mr. John Hutton): My departmental responsibility is to ensure that our country is properly defended now and in the future and that our service personnel have the right equipment and training to allow them to succeed in the military tasks in which they are engaged, either at home or abroad.

David Taylor: The original hope was that the A400M would replace the C-130 and C-160 aircraft, and its initial brief was to operate in many configurations, including cargo transport, troop transport, medevac, aerial refuelling and electronic surveillance. Given today's reports that the German Government intend to pull out of the consortium because of cost and delivery overruns, how does the Secretary of State respond to the charge that this programme has become a show horse for experimental new technologies, which has led to it being exorbitantly expensive, utterly unreliable and lamentably late?

Mr. Hutton: There is truth in a lot of what my hon. Friend says. We are discussing all those issues with our partner nations in the A400M contract, and, as I said earlier, with Airbus Military. I hope that those discussions will conclude by July, and that we will be able to make a decision about the right course of action to take. As I have said many times, in this House and on other occasions, this delay is unacceptable. It poses a threat to the sustainability of our logistical operations, which is not acceptable, and we must make an important decision during the next three months about how, and in what way, we can proceed with this important contract.

T2. [267201] **Mr. Philip Dunne** (Ludlow) (Con): You, Mr. Speaker, will remember that during Prime Minister's questions last Wednesday I asked why our service personnel did not know what pay they would be getting as from this coming Wednesday. The Leader of the House mentioned, at column 302, that she thought that the Minister of State would address that matter during the defence debate the following day. I therefore attended that debate and raised the point, but I regret to say that the Minister declined to respond. I urge the Secretary of State here and now to tell the House, and the thousands of service personnel who are listening outside, what they will be paid from Wednesday.

The Minister for the Armed Forces (Mr. Bob Ainsworth): We will be making an announcement on service pay, as on other matters, in the very near future.

T3. [267202] **Mr. Lindsay Hoyle** (Chorley) (Lab): The cut and sew contract that has come up for tender should have been announced by now. It is four years since it was given to China. I would have thought that we wanted fair competition, not unfair competition from state-owned factories in China. What can the Minister do to ensure that British jobs are used and that British uniforms are made by British companies?

The Parliamentary Under-Secretary of State for Defence (Mr. Quentin Davies): I believe that my hon. Friend knows that we will re-let the cut and sew contract over the course of the next few months. I think that the target date for us to sign a new contract is September—I do not yet know whether we can do it a little earlier in practice. In response to his point about the source of suppliers we are not, and under EU law are unable to be, protectionist. We have to get the best deal for the taxpayer. He understands these matters, and I will be very happy to meet him again if he wishes to go into them in greater detail.

T9. [267209] **David Davis** (Haltemprice and Howden) (Con): Yesterday, the Ministry of Defence admitted that the Nimrod that crashed, killing 14, was not airworthy as a result of systemic or design failures. That is not the first fatal catastrophe that has occurred as a result of such failures, and it is not the first when experts and independent spokesmen had pointed out

the failures in advance of the fatalities. What will the Secretary of State do to get his Ministry to shape up, listen to criticisms and prevent another Nimrod?

Mr. Bob Ainsworth: Yesterday was not the first time that we have acknowledged responsibility for the fatal crash of the Nimrod XV230—the previous Secretary of State did so in the House a long time ago. That, of course, was repeated in court as we had made a commitment to the families that we would not resist the matter of responsibility.

With regard to some of the criticisms that we have had from coroners, not only about Nimrod but about other matters, we have to keep on working as hard as we can to make certain that the systems that we have in the MOD are as complete as they need to be, so that we can learn all the lessons from the various bits of information that come from a very complicated organisation. We can then minimise the threats and danger to our people. There is commitment from the military, civil service and political heads of the MOD to do precisely that over time.

T4. [267203] **Jeremy Corbyn** (Islington, North) (Lab): The Secretary of State will be well aware that there is enormous opposition and concern in Russia about the USA's national missile defence system, and that last week the political classes in the Czech Republic rejected NMD in its entirety. Does he not think it is time that Britain also reviewed our participation in this provocative system that is being put forward by the USA?

Mr. Hutton: It is not a provocative system, it is a self-defence system, so I reject the argument that it is a provocation. Discussions are going on among the various interested parties, and we should let them unfold.

T5. [267205] **Mr. Michael Jack** (Fylde) (Con): May I take the Secretary of State back to his earlier answer to my question on the joint strike fighter? Having read the published version of the memorandum of understanding laid in the Library, I could find no reference to operational sovereignty. That is because the Secretary of State knows that such matters will be dealt with in a side letter between the two Governments. Will he give the House an assurance that no further purchase of joint strike fighter aircraft will be made until he has made a statement to this House that operational sovereignty, in the fullest sense of the term, has been achieved to cover the operation of those aircraft?

Mr. Hutton: I think that the memorandum of understanding deals with the substance of operational sovereignty.

Mr. Jack *indicated dissent.*

Mr. Hutton: That is the case, I can assure the right hon. Gentleman. The purchase of the three aircraft is designed to ensure UK operational sovereignty. Without our involvement in the testing and evaluation stage, I doubt whether that could be achieved. We currently have no further procurement plans. We are obviously committed to introducing the joint strike fighter into service as soon as possible, but the fundamental purpose and rationale behind our participation at this early stage is to ensure UK operational sovereignty.

T6. [267206] **John Robertson** (Glasgow, North-West) (Lab): My right hon. Friend is to be congratulated on the work to secure shipbuilding on the Clyde, especially in my Scotstoun shipyard. We are grateful for the 15 years' guarantee, plus the 15 level years of employment, but when capital projects are coming forward, is not it time to consider military afloat reach and sustainability—MARS—to get more work done and, at a time of high unemployment, get more people in employment in the yards, where the work is abundant at the moment?

Mr. Quentin Davies: I am grateful for my hon. Friend's acknowledgement of the value of the maritime new build strategy—that is important for us as the customer, as it is for suppliers and employment. As I said in answer to an earlier question, our priority when the carriers have been launched will be to start construction of the future surface combatant—which must be built in this country.

T7. [267207] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Does the Minister for the Armed Forces recall saying the other day that inquests are,

"non-adversarial, fact-finding proceedings"—[*Official Report*, 14 January 2009; Vol. 468, c. 875W.]?

Bearing that in mind, why has the Ministry of Defence spent more than £1 million on legal representation inquests in the past six years, when the families invariably cannot get legal aid? Has he spoken to the Under-Secretary of State for Justice, the hon. Member for Lewisham, East (Bridget Prentice)? In Committee the other day, she said that,

"we should challenge why one side feels always that it has to have such high levels of representation"—[*Official Report, Coroners and Justice Public Bill Committee*, 10 February 2009; c. 203.]

What will the right hon. Gentleman do about that? When will he speak to his ministerial counterpart?

Mr. Bob Ainsworth: I spoke to my ministerial counterpart about the Coroners and Justice Bill before it was introduced and since it has been progressing through the House. Some of what the hon. Gentleman says is not true. Many families get support.

Mr. Bellingham *indicated dissent.*

Mr. Ainsworth: If the hon. Gentleman wants to look at the record, he will find that many families in inquests on military deaths get support. We are supported in only a minority of cases. There is a serious issue that affects not only the Ministry of Defence but the whole Government: do we want to change the nature of the coroners' courts? If we accept that everybody should be legally represented in every single instance—that does not currently happen now—we will do precisely that. Today, I met a couple of coroners who would be worried if we went in that direction.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Members of all parties will have read remarkable reports of sporting activity and adventure training, including skiing, to help maximise the recovery of service personnel who have been injured on and off the battlefield. Will my hon. Friends join me in congratulating those in the triservice Battle Back and in the Navy's Project Fortitude on their amazing work?

The Parliamentary Under-Secretary of State for Defence (Mr. Kevan Jones): I congratulate both organisations. Having met some of the individuals who are taking part—some are members of my hon. Friend's constituency—I know that they are remarkable individuals. We should give full support to not only individuals but the two organisations and other service charities that also hope to get amputees and those injured in Afghanistan and Iraq involved in competitive sport.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I revert to NATO and Afghanistan? Does the Secretary of State agree that, unless NATO deploys in much larger numbers and in a combat role, its authority and the support for it, and our prospects for success in Afghanistan will be much diminished? What is the Secretary of State doing to encourage NATO allies, other than the United States, Canada and so on, to produce more troops in a combat role?

Mr. Hutton: I agree with the right hon. and learned Gentleman that it would be very helpful if there were such additional forces in Afghanistan. Indeed, the strong argument that we have had over a number of years with our allies in NATO has been about making those sorts of deployments. It is not fair for the burden to fall on a few when there are many others who are capable of shouldering it. I can assure the right hon. and learned Gentleman that those discussions are continuing.

Mr. David Hamilton (Midlothian) (Lab): In an earlier response, the Under-Secretary, my hon. Friend the Member for North Durham (Mr. Jones), indicated that medical records would be made available to local practitioners. As health comes under a different perspective for the devolved Parliaments, will he ensure that he speaks to them to ensure continuity?

Mr. Kevan Jones: I am grateful to my hon. Friend for raising that matter. He is always an advocate for ensuring that we do not forget about the devolved Administrations. I am meeting colleagues in Wales and Scotland with regard to all the issues in the Command Paper, of which that issue forms a part.

Ann Winterton (Congleton) (Con): Will not the decision to be announced in July by the Secretary of State about the ill-fated A400M most likely leave the United Kingdom with a disastrous lack of airlift capacity? Can he therefore assure the House that suitable conversations have been taking place to ensure that the situation is rectified?

Mr. Hutton: I can assure the hon. Lady that those discussions are indeed taking place. We will not allow a situation to develop where our air logistics are affected in any way by the current delays in the A400M.

Dunfermline Building Society

3.31 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): With permission, Mr. Speaker, I would like to make a statement about the Dunfermline building society. I hope that the House will understand that an announcement had to be made as soon as possible this morning to provide certainty to the Dunfermline's customers when branches opened this morning. I have previously disclosed to the Treasury permanent secretary, and it is appropriate that I draw to the House's attention, the fact that I hold savings accounts on behalf of my children at the Dunfermline building society.

Most of the society's core member business was transferred to the Nationwide building society this morning. Under the terms of the agreement, it will be business as usual for customers and Dunfermline's deposit business will continue to operate normally. Branches and telephone banking will continue to be open and customers can access their accounts in the usual way. Savers can be assured that their money is safe. Loan and mortgage customers can continue to contact the Dunfermline in the usual way and to make repayments as normal. All the Dunfermline building society's staff have been transferred to the Nationwide building society.

The decision to transfer the Dunfermline's main business to Nationwide was made to protect depositors and safeguard financial stability, as well as to protect the interest of the taxpayers. I would like to set out the background to the decision and the options looked at by the Financial Services Authority, the Bank of England and the Treasury, in order to find a long-term solution to the society's problems. The Dunfermline building society has 34 branches, employs about 500 people and has around 300,000 members, making it the 12th largest building society in Britain. The decision was necessary because of a significant deterioration in the society's financial position in the past few months. That culminated in the decision by the FSA on Saturday that the Dunfermline building society was likely to fail to meet the FSA's conditions to remain open for business and that it was not reasonably likely that action could be taken by the society to enable it to satisfy these conditions.

The Dunfermline's problems were caused by a range of factors. The society has engaged in substantial commercial property lending, in excess of £650 million, making many of those loans in 2005 and 2006, when prices were at their highest. It is now losing money on many of those loans. In 2006 and 2007, the society also purchased more than £150 million of high-risk, self-certified mortgages from two American firms, GMAC and a subsidiary of Lehman Brothers, just before the global market for such loans completely collapsed. Those decisions, together with the need to write off £10 million from the purchase of a £31 million IT system, contributed to the society making an expected loss of more than £24 million last year.

The FSA has been in constant touch with the society since November, as is properly the case, as the FSA is its lead supervisor. It has been clear for some time that the society needed additional capital to continue operating. It was also clear that the society could not raise the amount of capital that it required in the markets and that it would need support from public funds. Under the Banking Act 2009, the Government have to take into account three objectives in particular when deciding whether to intervene in the financial sector: the need to protect depositors; ensuring stability and confidence in the financial system; and safeguarding the interest of the taxpayers.

To meet these objectives, the FSA, the Bank of England and the Treasury had two options. The first was for the Government to inject more capital into the society, possibly alongside the Building Societies Association and the Scottish Government. The FSA advised that a minimum of £60 million was required just to allow the society to continue trading. This, however, would not have provided the Dunfermline with a long-term solution. First, it was the judgment of the Bank of England, the FSA and the Treasury that even with an injection of £60 million, the society would have been very unlikely to have an independent long-term future, and that it would have needed to come back for more. Secondly, the society would not have been able to service or repay this amount of new capital; in the past few years it has never made an annual profit of more than £6 million. Thirdly, that course of action would not have dealt with the commercial property loans and the high-risk mortgages, totalling some £800 million, held by the society.

The second option was to find a long-term solution for the Dunfermline building society, in which it had sufficient backing from a larger society and in which the riskier assets were separated out. It was therefore decided, after the Bank of England had invited offers over the weekend, that as a result of that process, core parts of the Dunfermline would be transferred to the Nationwide building society. The Dunfermline's retail and wholesale deposits, its 34 branches, its head office and its residential mortgages have been transferred. Savers who are retail depositors with the Dunfermline and with the Nationwide will continue to benefit from separate Financial Services Compensation Scheme limits—that is, £50,000 per person per institution.

The Nationwide already has more than 40 branches in Scotland, where it has been operating for many years. It has the strength to provide financial support for the Dunfermline building society. It has said that it will maintain the Dunfermline building society brand, and that there will be no compulsory redundancies in branches for the next three years. The social housing loans of Dunfermline's customers have been transferred temporarily to a bridge bank owned by the Bank of England. This will continue to provide support for the Dunfermline's social housing commitments while the Government talk to a number of other parties, including the Scottish Government, about securing a long-term future.

The remainder of the Dunfermline's assets and liabilities—including commercial loans, high-risk mortgages and subordinated debt—have been put into administration. These assets will be managed and wound down over a period of time. In this way, the return for the taxpayer can be maximised as conditions improve. Any losses associated with these assets will be met in the first instance by the remaining capital in the society, and by the Financial Services Compensation Scheme, leaving a small residual exposure for the Government.

In line with previous resolutions of this kind—such as that involving Bradford & Bingley—because the retail deposits have been transferred in full, the assets to back them had to be provided in the short term by the

[Mr. Alistair Darling]

Treasury. Therefore, following normal practice in such cases, the overall net financing provided by the Treasury to the Nationwide is around £1.6 billion. Included in this amount is a sum of £69 million, an amount broadly equivalent to the capital reserves belonging to the Dunfermline's members. Again following normal practice, this is being transferred along with the rest of the business, and will support prime residential mortgage lending. The Treasury will reclaim the money from the wind-down of the assets outside the transfer and from the Financial Services Compensation Scheme.

The Dunfermline building society has provided services for many years. However, we had to find a long-term solution for it, in order to protect savers, to protect the taxpayer and to give its members a more stable future. We will continue to deal with the impact of the global banking crisis on the banking system, ensuring stability and rebuilding confidence, which is an important precondition to economic recovery. I commend this statement to the House.

Mr. George Osborne (Tatton) (Con): I thank the Chancellor for his statement. Of course, it is sad that the 140-year history of the independent Dunfermline building society should have come to such an end. It is depressing to see yet another pillar of the Scottish banking system fall in this way. I note that the Chancellor has for the first time made use of the special resolution regime passed in the Banking Act to deal with this troubled institution. Of course we called for such a regime 18 months ago, and we now know that the Governor of the Bank of England was calling for one five years ago. However, it is good to see that it is now in place and being put to use.

The absolute priority for the Dunfermline, as the Chancellor has said, is to protect the depositors, and their transfer to the Nationwide will do that. I have spoken to my colleagues in the Scottish Parliament, and we agree that we should all be concerned about the future of the 500 staff who work in the branches and the head office. This will be an anxious time for them and their families. In his statement, the Chancellor provided some reassurance for the 245 employees in the branches, but he said nothing about the remaining 289 people who work in the head office. Perhaps he will do so when he responds to my questions.

Indeed, it would be good moment, if the Chancellor felt able, to say something about the total job losses both in Scotland and in the rest of the UK resulting from the problems at HBOS, Royal Bank of Scotland, Bradford & Bingley, Northern Rock and now Dunfermline, and to clarify whether the Government are able to provide specific help to unemployed bank staff, with their particular clerical and IT skills, in finding the new jobs they are looking for.

Specifically on Dunfermline, will the Chancellor answer these questions? First, he says that the Treasury has provided £1.6 billion of net financing to Nationwide, so what is the maximum possible loss for the taxpayer? He mentioned in his statement a small residual exposure. How small is it, and what is the maximum exposure? Can he give us the figures today? What is the risk from holding £500 million of social housing loans, and how quickly does he expect to find a buyer for them? What is the maximum loss for the Financial Services Compensation Scheme—a scheme designed, of course, to protect customer deposits, but now burdened with the liabilities of Dunfermline, and Bradford & Bingley? What will be the impact on the levy charged to other banks and building societies, and no doubt passed on to customers? Indeed, is the Chancellor confident that the additional costs can be met by the rest of the industry, given the weak state that much of it is in?

Secondly, when was the FSA first aware that Dunfermline was purchasing UK buy-to-let mortgages from the likes of Lehman Brothers and GMAC, and increasing its exposure to commercial property by £500 million—an increase of more than 400 per cent. in the last three years alone? These are British loans, to British households and British companies, that have gone bad, and they are further evidence of what we have been saying all along—that not all the banking problems have blown in from America. Did our financial regulator ever ask whether this was a sensible business model for a medium-sized building society to pursue? Were any doubts ever expressed or any questions ever raised or any warnings ever issued—and if not, why not? Will the Chancellor now instruct the FSA to publish a full account of its dealings with Dunfermline, as he did with Northern Rock, so that we know the whole truth, rather than it just dribbling out over the coming months? Of course the management at Dunfermline must bear the primary responsibility for taking a safe and—dare I say it?—quite boring building society and turning it into a high-risk property speculator, but why did the FSA let it do that?

Is the Chancellor satisfied with the way in which the Treasury has conducted itself throughout the negotiations? The Government's decision to pull the plug on Dunfermline was, of course, never going to be popular with the management, but could not more of an effort have been made to explain that decision? The chairman of the society, Mr. Faulds, says he is "astounded" that senior Treasury officials would not speak to the society, and that the only contact with Ministers was a cup of tea with Lord Myners. Why did the Chancellor not feel it necessary to meet the management himself, and at least hear its alternatives? Is it really the case that Dunfermline staff learned of their fate only through a Treasury leak to the media, and does that not show insensitivity to bank clerks on modest incomes who now face losing their jobs?

Finally, will the Chancellor say something about his relationship and dealings with the Scottish Government? He mentioned in his statement that he was going to talk to the Scottish Government about the future of some aspects of this deal. Does not the handling of the Dunfermline building society highlight the fractious and unhelpful relationship between a Labour Government in London and a nationalist Government in Edinburgh? Given that we have a Chancellor of the Exchequer who comes from Edinburgh and a Prime Minister who used to be the MP for Dunfermline, should they not try harder at least at their side of the relationship? The financial industry is so important to Scotland, and the problems have been so great, that the Scottish people are entitled to expect a bit more co-operation and a bit less confrontation between those elected to govern them in Edinburgh and in London.

Mr. Darling: Let me answer the hon. Gentleman's questions, and let me start by saying that I agree with him that it is a real shame that the Dunfermline building

society has got into this position—and many people who have used its services over many years will be very sad about that.

The hon. Gentleman asked a number of questions, and I am going to start with the last one. I strongly believe that, no matter what the political differences may be between the Administration in Holyrood and the Government here in Westminster, we should work together. I had an extremely constructive and, in my opinion, friendly meeting with the First Minister last Wednesday. I also spoke to him on Saturday morning, shortly before the FSA contacted him in Dunfermline to explain the position to him.

I believe that the offer made by the Scottish Government in an effort to resolve the problem was made in good faith. I spoke to the First Minister about that. The problem was that, as I said in my statement, we believed—and the regulator believed—that even if we had put all that money in, it would not have been enough. Given that the society has never made more than about £6 million in any year, how would it had served us if all that additional capital had been put in? There was also the whole question of the now bad assets to which the hon. Gentleman referred.

I consider the co-operation between the Administrations north and south of the border to have been extremely constructive. Both the First Minister and I fully understood the building society's problems, and both of us wanted to work towards a solution. The hon. Member for Tatton (Mr. Osborne) also mentioned contact between the society, the regulator and the Treasury. I understand that the Treasury first spoke to the officials in November, once it was becoming apparent that there were difficulties. The representatives of the Dunfermline have also met the Secretary of State for Scotland, and Lord Myners in my Department.

I must point out to the hon. Gentleman that it is not surprising that most of the contact—and there has been a lot of it—has been between the FSA and the Dunfermline, because the FSA is the regulator. It is the body that must decide whether, at end of the day, institutions can continue to receive deposits.

The hon. Gentleman raised a number of other points. He asked about the special resolution regime and the 2009 Act. I can confirm that this is the first time that the regime has been used. As he seemed to want to make a political point, let me also say to him that it was foreshadowed in the Banking (Special Provisions) Act 2008, which he did not support. Be that as it may, however, we both agree that the Bank, the FSA and the Treasury need powers of this sort, especially in the current environment.

The hon. Gentleman asked about jobs, which are clearly very important. I spoke to the chief executive of the Nationwide building society this morning. He said that the Nationwide would guarantee that there would be no compulsory redundancies in the branches, but he also explained to me that, over the next few weeks, it would need to meet people in the headquarters in the Dunfermline and then decide what the requirement is. As the Government have now taken over the commercial loans, that work will not need to be done. Let me also say—anticipating future questions—that it is almost certain that even had the Dunfermline carried on, with support, there would have been reductions in the number of jobs available. I think that that would have been inevitable, given the Dunfermline's present position.

I want to make it very clear that Jobcentre Plus will be ready to help in Dunfermline, just as it has helped in the case of other banks where there have been job losses. Many people who are very skilled and dedicated have put in years of hard work, and would make first-class employees elsewhere. It is important for us to do all we can to turn such people's lives around if they lose their jobs. That is why we put more money into Jobcentre Plus at the end of last year.

The hon. Gentleman asked about the social housing loan. I hope that the discussions about that will begin in the next few weeks, because I want to secure some certainty. The Scottish Government clearly have an interest in the issue, because much of Scotland's housing was being financed by the Dunfermline.

The hon. Gentleman wanted to know how all this arose in the first place. I think that there are two answers to that question. The hon. Gentleman is right: I am afraid that the management in this building society, like management in other institutions that have got into difficulty, are primarily responsible. However, I have asked the chairman of the FSA to let me know what happened, and of course I will keep the House informed.

Dr. Vincent Cable (Twickenham) (LD): Let me begin by paying tribute to the people—particularly members of the Building Societies Association and my hon. Friend the Member for Dunfermline and West Fife (Willie Rennie)—who have tried to rescue the situation and take account of the interests of the 310,000 customers, the work force and, of course, the taxpayer.

As for the Secretary of State's statement, I shall start with the last part of his reply to the hon. Member for Tatton (Mr. Osborne), which dealt with how this failure occurred. It is clear that there was disastrous management and a failure of oversight on the part of the directors. This morning I was sent a copy of some details of the kind of business that the building society was transacting almost two years ago. It refers to a loan of £10 million to a company based in Lancashire called In-House plc—described as a company that was loss-making and insolvent, which had never filed any properly audited accounts. Substantial numbers of loans of that kind were taking place, and I repeat the point that the Conservative shadow Chancellor has already made: is this not a gross failure of regulation by the FSA? It is very difficult to see how that could have happened under the old building society regulator, who kept a much closer eye on the conduct of societies.

As for the outcome, it is clear that there have been some positive results. It is positive that the savings and deposits business and the mortgage lending will continue within the mutual movement with the Nationwide, and there is a reasonably positive outcome for the labour force. But I would like to pursue a question that has already been raised with the Chancellor: why could the potential offer from the Building Societies Association not be taken up? Presumably, when the BSA offered to put in £30 million of its own members' money, it made a pretty hard-headed calculation of what the Dunfermline could service and repay. It is difficult to understand why it came to a radically different conclusion from that reached by the Government. As the BSA was willing to step up to the plate itself, why did the Government not feel able to match its contribution? Is one of the reasons why the Government were not able to do so a rigid application by the FSA of its capital adequacy rules?

[Dr. Vincent Cable]

We have heard a great deal about the future of counter-cyclical regulation, but do we not here have a case of the 8 per cent. rule for capital being so rigidly applied as to make it very difficult to deal with situations of this kind?

I have previously raised my final point not with the Chancellor, but with his Ministers. It is to do with the contributions made to the deposit protection scheme, and the fact that that weighs disproportionately heavily on the building societies, because it is based on the level of deposits, rather than loan exposure. Building societies such as the Nationwide that are very prudent in their operation and maintain a very high level of deposit savings in relation to their lending are therefore paying a much heavier contribution than the banks. Not only is that storing up trouble for the future, but it seems very unfair, and it has, of course, affected the calculations in this particular case. Will the Government take a fresh look at this matter, which all the building societies feel very strongly about?

Mr. Darling: The hon. Gentleman raised three questions. On supervision, we are both in agreement that the primary responsibility for management decisions always has to rest with management. The management in this case took the decision over a number of years to go into areas where the building society had not previously gone. The hon. Gentleman referred to the IT system. Ironically, the In-House organisation he mentioned was proposing to sell its expertise in IT, whereas in fact £10 million—I think that is the sum—had to be written off in respect of the IT system. That was clearly primarily a management decision. However, as I said to the shadow Chancellor, there are lessons to be learned here, and we need to look at them.

On the point about the Building Societies Association, we looked at the idea very seriously. If it had worked, and all that was necessary was a capital injection from either the Government or the BSA—and, possibly, the Scottish Government as well—there would have been attractions in that, such as that it would have been relatively simple to do. Our problem was that the FSA—which is, at the end of the day, the regulator—came to the view that although that might buy time, it was almost certain that, as I said in my statement, the society would have to come back for more. That was the difficulty. It also has to be said that when we spoke to the BSA, there were certainly some who were proposing to contribute to what would have been a pooled amount—it would have come from about half a dozen larger BSA members—but some of them were sceptical as to whether that would fix the problem. As the hon. Gentleman knows, one of the lessons that has to be drawn from other parts of the world—indeed, arguably, from nearer to home—is that if we are going to try to fix the problem and recapitalise banks, we need to do it properly. The Japanese experience was that if we keep coming back and back, it prolongs the problem rather than resolves it.

On the deposit protection scheme, the hon. Gentleman raises a perfectly good point and I know that it is something that the FSA will be examining; it obviously needs to consider both the distribution and the treatment of the building societies' contributions and the banks' contributions. I will ensure that on that, and on other matters, I will keep the House informed.

Willie Rennie (Dunfermline and West Fife) (LD): In Dunfermline this morning, the feeling was a mixture of depression, anger and confusion as to why such a fine Scottish institution had come to this. I am bitterly disappointed that more could not have been done to save such an institution, which has been a trusted friend to many people in the community in Scotland over 140 years. Could the Chancellor of the Exchequer please explain why more was not done to save this institution? I have heard many of the explanations here, but many, including the Scottish Government, the rest of the mutual sector and others, were willing to rally around to come to the rescue of the building society. What has happened will do tremendous damage to the mutual sector as a whole, which is trusted by many in the community throughout the country. The Government had a responsibility to do more to save the institution, and in Dunfermline this morning, people were feeling that it was a sad day when such a fine institution had come to this.

Mr. Darling: I am well aware of the affection that many people in Dunfermline have for the building society. The society has, over many years, enjoyed a very good reputation, not only in the town of Dunfermline but in Scotland as a whole, and I think it is a great pity that it has come to this. The hon. Gentleman asked why it had happened. As I said in my statement, the reason is that the management of the society decided to go into quite large-scale commercial lending, and they did so at the top of the market. These loans are now, in many cases, not being repaid. The management also acquired property mortgages from two American companies just before that particular market collapsed, and they also encountered the problems with the big IT project that I mentioned. We tried everything that we possibly could to reach a solution.

The hon. Gentleman rightly refers to the contribution that was considered from us, from the BSA and, possibly, from the Scottish Government. The problem was that it would not have fixed the problem; we might well have been back in a few months' time, or in a year's time, facing exactly the same problem. We needed to find a long-term resolution for the members of that society, and to do the best we could in relation to jobs and financial stability. I am glad that we were able to transfer the building society to another building society. He is right to say that there is a lot of affection for the building society. I, like many others, am very sorry that the decisions taken by its management meant that it got into those difficulties. We have had to do what we believe is right to secure the long-term interests of the people who have their money in that building society.

Mr. Russell Brown (Dumfries and Galloway) (Lab): The chairman of the Dunfermline building society, Jim Faulds, has made his views known today; he has made some severely adverse comments about the decision that the Government have taken, going as far as to say that this action was not necessary. Is my right hon. Friend in a position to pass comment on some of those views that have been put into the public domain?

Mr. Darling: I know that, like many people, all of us here deeply regret that the decisions taken by the management of the Dunfermline building society have meant that we have had to intervene and take measures to make sure that it is put on a long-term stable footing

within the Nationwide building society. I believe that the action that we have taken was necessary, as a result of the judgments that were made, and that it is the right thing to do, both to protect people who have money in that building society and for the long-term financial stability of the industry as a whole.

Mr. Christopher Chope (Christchurch) (Con): My hon. Friend the shadow Chancellor asked the Chancellor of the Exchequer a specific question about the maximum taxpayer exposure as a result of what has happened. I should be grateful if the Chancellor could either explain why he will not answer that question, or answer it now.

Mr. Darling: The answer is that it will depend over time as to what extent we are able to realise the assets that we now hold, including the commercial property. I hope that we will be able to recover all the money that we have had to put in—otherwise the Government will have a call on the capital of the building society and in relation to the FSCS—but the position is very similar to that of the Bradford & Bingley bank, where we had to step in and take similar action last year.

Ms Sally Keeble (Northampton, North) (Lab): I very much welcome the action that has been taken by the Nationwide, part of whose headquarters is in my constituency. It has always been an important and stable financial institution. My right hon. Friend referred to some real weaknesses in the UK mortgage market, such as the self-certified mortgages, although we have always assumed that we did not have a sub-prime issue here. Is he working with the FSA to look closely at the weaknesses in the UK mortgage market and to identify any other problems that might be developing, especially in the mutual sector?

Mr. Darling: We do not have the same problems as the US market, partly because our mortgage market was much more tightly regulated. The US sub-prime problem was caused largely by people who took out loans on properties that were not worth very much, who did not have very much in the way of income, and who were never going to be able to repay when interest rates went up.

The problem that we have in this country tends to centre on self-certification and buy-to-let property. It is those mortgages that the Dunfermline bought off GMAC and a subsidiary of Lehman Brothers, and that is part of the reason for its difficulties. It all points to the need to ensure that the mortgage market, and the wider financial services industry, is properly supervised and regulated. It is worth remembering that even as late as 2007 some people were calling for the complete deregulation of the selling of mortgages, which would be absolute madness.

Mr. Michael Fallon (Sevenoaks) (Con): Is it not extraordinary that the provision of another £1.6 billion of public money to rescue another failed institution no longer seems extraordinary? Can the Chancellor explain why the regulator allowed the Dunfermline building society to over-commit itself so recklessly in 2006 and 2007 in commercial property and sub-prime?

Mr. Darling: The hon. Gentleman is right, in that the action that Governments are taking all over the world simply would not have been contemplated three or four years ago. He asks a pertinent question about supervision, and I said earlier that I want to get a report on that, because there probably are lessons to be learned. The issue comes back to a point that has come up time and again with Bradford & Bingley, HBOS and RBS: what were the management doing? What questions were being asked? When the money was coming in, surely someone was asking how and on what basis it was coming in. We have to tackle the management weaknesses, which fundamentally led to the problems, and we have to learn the lessons in relation to supervision and regulation of such institutions.

Mr. Gordon Prentice (Pendle) (Lab): On that very point, surely the directors of the Dunfermline owed a fiduciary duty to the members of the society. If the directors behaved recklessly, as described by the hon. Member for Sevenoaks (Mr. Fallon), surely there must be some come-back against them. My Friend said that the Dunfermline is the 12th largest building society out of 55 in this country: are any of the others similarly exposed or is this a one-off?

Mr. Darling: The FSA is responsible for the conduct of directors and the supervision of all building societies and other financial institutions in this country. Part of its job is to keep a close eye on developments in every institution.

Stewart Hosie (Dundee, East) (SNP): The end result is that the taxpayer will have the bad bits of the society while the Nationwide gets the residential mortgage book, the deposit-taking business and the society's reserves. It will also get £1.6 billion of net financing. The general public will be perplexed as to why £1.6 billion of net financing represents better value for money than £60 million of recapitalisation, so may I ask the Chancellor whether, if the Dunfermline had been recapitalised to the £60 million suggested by the FSA, it would have met the capital adequacy rules and have been eligible for or entitled to other liquidity funding?

Mr. Darling: The FSA believed that even though an injection of £60 million might have bought time, it would have been necessary to return to the problems faced by the Dunfermline within a short period. In other words, that would not have provided a long-term solution. The hon. Gentleman asks about the £1.6 billion. I had the benefit, if I can put it that way, of seeing him on Sky television earlier this afternoon, so I had some inkling of what he might say. Perhaps I can explain the position. We have transferred the deposits of the Dunfermline to the Nationwide, and the Nationwide therefore has a liability to pay out those deposits. If the hon. Gentleman thinks about it, most of a deposit of £10,000 with the Dunfermline or any other building society would be lent out in order to get a return, but the liability for the full amount remains. Therefore, the Government have to provide financing—that is the £1.6 billion; it is different from providing working capital. With respect, the hon. Gentleman is not comparing like with like.

Let me make it clear that I understand fully that it does not matter where Members represent: all of us will be sorry that a building society that has done well over many years has got itself into such a position, through judgments that clearly went wrong. We have had to step in to try to resolve that, to provide security for depositors and to provide a long-term future. What we have done is absolutely right and I am afraid that it was unavoidable.

Sir George Young (North-West Hampshire) (Con): Why have the loans to housing associations, which are a good credit risk, not been transferred over to the Nationwide along with all the other residential mortgages, some of which will be a lot riskier? How confident is the Chancellor that this is the last time that he will need to make a statement of this nature?

Mr. Darling: When we looked at what the Nationwide was proposing, we felt that on balance the better value for money would be to see whether there was another way of dealing with the housing loans. They are important. The Dunfermline provided a lot of money for social housing in Scotland and it is important that whatever we do we provide the best value for money.

More generally, I think that over the past two years I have made more statements than any other Chancellor of the Exchequer, by a long chalk. At the moment, I cannot tell the right hon. Gentleman that I expect that situation to change.

Sir Nicholas Winterton (Macclesfield) (Con): I think that the Chancellor will agree that the Nationwide building society is increasingly proving to be a life-saver. I say that because I have a constituency interest. My own Cheshire building society, as well as the Derbyshire building society, is now under the safety of the umbrella of the Nationwide, because the Cheshire indulged in issuing highly speculative commercial property loans, which it should not have done. Will the regulatory body take control, at last, and prevent building societies from indulging in such activities and involving themselves in matters about which they know too little?

Mr. Darling: There is some force in what the hon. Gentleman says. As Adair Turner, the chairman of the FSA, has said, lessons need to be learned not just from this case but from other cases too, and supervision and regulation need to be far more intrusive than they were in the past. We had a similar problem with Northern Rock when that bank became over-exposed and reliant on one source of funding. When that funding dried up, the bank had nowhere else to go. The hon. Gentleman is right that it is very important that we learn those lessons, but I must tell him that it was not so long ago that people were calling for not more regulation but less regulation, even in respect of the selling of mortgages. I think that that would have been the wrong way to go.

Mr. Bernard Jenkin (North Essex) (Con): May I forecast that this will not be the last time that the Chancellor of the Exchequer comes to the House to make a statement of this nature? Can we be absolutely clear that this crisis is not a failure of capitalism or markets? It is a failure of governmental regulation. It is a failure to control profligate borrowing and profligate lending. Markets are punishing Governments, regulators and countries for failing to supervise the capitalist system properly.

Mr. Darling: I assure the hon. Gentleman that this is not the last occasion that I will come to the House. I proposed to come to the House tomorrow afternoon to take part in the economic debate, which, I am sure, we are absolutely looking forward to.

On the hon. Gentleman's wider point, this is not the occasion to dwell on the future of capitalism, but the one thing that I would say is that he cannot leave out the conduct of the boards of management of some of those institutions, where there is no doubt that huge mistakes were made. Yes, there are lessons for the regulators, for Government and for everyone else, but we also need to ask ourselves, as should the people who are charged with running those financial institutions, whether they did the right thing. I am afraid that the answer in too many cases is no they did not.

Mr. Peter Bone (Wellingborough) (Con): Further to the Chancellor's last comments, yesterday on BBC radio the chairman of Dunfermline building society was very scathing of both the Chancellor and the Secretary of State for Scotland, accusing them of misleading the country about the mortgages that were bought and suggesting that the Chancellor had said that they were sub-prime American mortgages, when, in fact, all the mortgages were British. Can the Chancellor confirm that it is true that they were British mortgages? Were those mortgages transferred to the Nationwide?

Mr. Darling: I have just said in my statement that the Dunfermline had bought those mortgages from two American companies—GMAC and a subsidiary of Lehman Brothers—and that is precisely what I have been saying since the problem first became apparent.

Points of Order

4.11 pm

Alan Duncan (Rutland and Melton) (Con): On a point of order, Madam Deputy Speaker. Might you consider asking Mr. Speaker for a report on the proceedings and conduct of the Committee that considered the Apprenticeships, Skills, Children and Learning Bill? From Thursday to Friday afternoon, it sat overnight for a total of 17 hours and serious disrespect was shown to the Chairman by the Government. It sat through the night, even though the programme motion still allowed for another day's sitting, and the House had to remain staffed for the whole period, at short notice and considerable expense. That has cost the taxpayer a lot of money, just because of vindictive management by Labour Whips, as punishment to their own Ministers and Members, who failed to turn up at all on the Thursday morning. May I ask you to find out whether there can be a proper investigation into that?

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): Further to that point of order, Madam Deputy Speaker. As my hon. Friend the Member for Rutland and Melton (Alan Duncan) has just said, on Thursday we spent more than 17 hours in Committee, not finishing until midday on Friday, because the Government refused to adjourn the Committee until every clause of the Bill had been finished, despite the fact that we had available in the programme motion five and a half hours of time in Committee tomorrow, Tuesday 31 March. The reason the Government Whips Office did that was to punish Labour Back Benchers for failing to turn up on Thursday morning, as a consequence of which the Government lost three votes on their own amendments. Can you advise me how much that petulant fit of pique has cost the taxpayer in staff overtime, taxi fares and other House of Commons costs that would not have been incurred if we had used the time available in Committee tomorrow? Can you advise me whether that approach to managing a Bill is the most effective way to organise the scrutiny of legislation?

Madam Deputy Speaker (Sylvia Heal): Hon. Members have raised the question of proceedings in a Committee. I inform them that such proceedings are matters for the Chairman of a Committee and not for the occupant of the Chair to rule on.

Africa

4.13 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I beg to move,

That this House has considered the matter of Africa.

We have called this debate to reaffirm our support for Africa at a time when the economic crisis is bringing acute challenges, and to set out our priorities for the next year. I am sorry that, due to the state dinner for the President of Mexico, I will miss the winding-up speeches later tonight, although if the debate goes on for 17 hours, I will, happily, be able to return tomorrow morning for the conclusion.

Africa has been at the top of the Government's foreign policy agenda for the past 12 years. The personal commitment of successive Prime Ministers has enabled the UK to be part of a mass-mobilisation behind ambitious objectives. The millennium goals were agreed in New York in 2000 to eradicate extreme poverty and hunger, and improve education, health and the environment. In Gleneagles, during the UK presidency of the G8, further commitments were made: to double aid by 2010; to give at least 0.7 per cent. of gross domestic product to development; to write off debts of 43 of the world's poorest countries, most of which are in Africa; to ensure that children have access to good-quality, free and compulsory education and free basic health care; and to provide an extra 25,000 trained peacekeeping troops, helping the African Union better to respond to security challenges. The UK has backed up those ambitions by increasing the development budget for Africa from £300 million in 1997 to £1.3 billion this year. In that work, the Department for International Development has established a reputation for global leadership in aid effectiveness.

Bob Spink (Castle Point) (Ind): I am grateful to the Secretary of State for giving way, especially so early on in his speech. May I congratulate the Government on the action that they have taken over a number of years to tackle malaria in Africa, which particularly affects and kills children under five years of age? I ask the Government during this economic crisis not to be tempted in any way to take the focus off tackling malaria through research and prevention.

David Miliband: The hon. Gentleman anticipates some of the points that I will try to make in the course of my speech. The economic crisis does pose a challenge, and that challenge will not be met if we retreat from the ambitious goals that have been set.

Kate Hoey (Vauxhall) (Lab) *rose—*

David Miliband: I will bring in my hon. Friend, and then I will try to make a bit of progress.

Kate Hoey: The Secretary of State spoke about Gleneagles, at which there was a very useful meeting. Will he say a little about the other side of the coin—about good governance, what Africa's responsibility was, and what has been achieved, as regards its side of the bargain?

David Miliband: My hon. Friend makes a really good point. I do not want to give a preview of my speech, but after dealing with the economic crisis I want to deal with what I think are the four critical themes of development policy: governance, wealth creation, conflict and climate change. That will give us a chance to look in some detail at the issues that she raises.

Ms Sally Keeble (Northampton, North) (Lab) *rose—*

David Miliband: My hon. Friend makes it impossible for me to turn down her entreaties, but then I will make some progress.

Ms Keeble: I am grateful to my right hon. Friend. He rightly pointed out the importance of our commitment to the millennium development goals, but will he reflect on the particular problems to do with the infant and maternal mortality MDGs, and on the fact that there is serious underperformance on those goals in sub-Saharan Africa? Will he reflect, in particular, on the importance of tackling the HIV and AIDS crisis, which particularly affects women and children, especially orphans and vulnerable children?

David Miliband: My hon. Friend makes a very important point. Of course, the fact that we are off track to achieve the millennium development goals was the reason for the call to action that the Prime Minister issued in 2007, and for the special emergency meeting of the UN General Assembly last September. One of the goals on which the world is off track is that relating to maternal mortality. It is invidious in some ways to pick out one organisation rather than another, but I know that the White Ribbon Alliance for Safe Motherhood is an organisation that has support right across the political spectrum. In this country, it is sponsored by the Prime Minister's wife, who plays a very important role in it. It is trying both to raise consciousness about the issues, and to make practical changes on the ground.

Before we plunge into the difficulties that Africa faces, it is important to recognise that between 1999 and 2006 Africa had made significant progress. The number of armed conflicts was down; economic growth was up; the number of children in school was up by about 30 million; immunisation rates were also up; and more than 3 million Africans are now on life-saving antiretrovirals, which were mentioned earlier. Today, it is right to recognise that Africa faces a new set of pressures, in addition to the historical burdens that it brings forward. Less investment, lower commodity prices, lower demand for African exports and, importantly, reduced remittances from Africans living abroad all mean that Africa and its people face a new set of pressures.

The impact will vary, but right hon. and hon. Members will have seen some of the estimates. Cuts in growth rates will be widespread, but some of the numbers are very stark indeed. GDP growth in Angola has already fallen from 15 per cent. to minus 7 per cent. Botswana is feeling the effects of a 90 per cent. cut in demand for exports, as they account for 50 per cent. of Government revenue. Zambia is suffering from copper prices falling by a third. Meanwhile, in the Democratic Republic of the Congo, export earnings are projected to be 27 per cent. lower this year than last year, and there is a cash-flow crisis projected for the DRC Government; that crisis is probably felt not only in that country.

The wrong response is clear—to scale back our commitments on development, to abandon the Doha trade round, or to reduce our ambition on climate change. Each will harm Africa more than any other continent. That is why the London summit is dedicated to taking concrete actions to protect the poor and vulnerable: to support free trade, promote investment and reform the international financial institutions. The United Kingdom will support the creation of a vulnerable financing facility managed by the World Bank and a global vulnerability monitor led by the UN to manage the impact of the crisis and increase international accountability to the poorest people in the poorest countries.

It is important to recognise that in addition to the economic and environmental imbalances that lie at the heart of the crisis, there is a political imbalance, which is represented in all the major international institutions whose representation is skewed towards the old powers. That is why I hope there is support right across the House for the Prime Minister's drive to include the whole world in the debate in London this week. There are 20 countries representing 85 per cent. of global gross domestic product, but, significantly, there was outreach to African leaders in the meeting two weeks ago with representatives from 10 African countries, so that their issues and needs are fully on the agenda.

Hugh Bayley (City of York) (Lab): Last week I was in Tanzania with the International Development Committee. I had the opportunity to speak at some length with the IMF country representative and the IMF director for Africa from Washington DC. The IMF recognises the need for a country such as Tanzania to increase public spending modestly by 2 or 3 per cent. in order to try to generate domestic demand to take up the slack caused by loss of export orders. Although that does not apply to all African countries—all their circumstances are different—it applies to several. Will the IMF have sufficient resources to extend loans to African countries that need them in the downturn, and will that be discussed at the summit this week?

David Miliband: My hon. Friend speaks with much experience as well as expertise on these matters. He is right to point to the need not just for a change in political representation in the IMF, but for increased resources for the IMF, not least because several east European countries are asking for IMF support, so Africa needs to ensure that it has got its place. I am very encouraged by the fact that Japan has committed significant sums—I think I am right in saying $100 billion—to the IMF, and the European Union has done the same. I hope that that will be added to by the time of the final summit communiqué on Thursday. The issue of IMF resources is an important one, and the IMF must ensure that some of the old stigma that was associated with it is reduced and that it is able to meet the needs that undoubtedly exist.

Malcolm Bruce (Gordon) (LD): My question follows on from that. The president of the World Bank, Bob Zoellick, will be in London this week. What pressure will be brought to bear so that the World Bank becomes much more representative, not just of the donors but of the recipient countries? I know that the Secretary of State for International Development has called for that, but what prospect does the right hon. Gentleman think we have of achieving such reform?

David Miliband: One always has to be cautious in predicting institutional reform in bodies that embody all sorts of vested interests, but I think the fundamental political imbalance in international institutions—the financial ones such as the World Bank, as well as others, such as the Financial Stability Forum—has come home to people very strongly. So I am certainly more confident than I would have been a year ago about the prospects. It is important to try to achieve a timetable for reform, so that that does not become an endless process.

Alistair Burt (North-East Bedfordshire) (Con): While the right hon. Gentleman is talking about institutions and taking interventions, may I put it to him my view that the coalition Put People First, which is taking a major role in the public concern about the G20, has an honest but mistaken view of Doha. Among its aims, it is urging the Government not to press for a rapid conclusion to the Doha talks, because it fears that they are all about economic liberalisation and so on. Will the right hon. Gentleman restate that the liberalisation of services acts in the interests of people around the world, that the stricture imposed by well-meaning people is wrong, and that the Government will press for a successful conclusion to Doha as soon as is appropriate?

David Miliband: Yes. The hon. Gentleman follows these issues carefully and knows that the Government have been stout not only in their defence of the Doha process, but in trying to advance that process. It is important that some of the good words issued in Washington about the deficiencies of protectionism should be followed up with proper monitoring mechanisms to make sure that the poorest people in the poorest countries do not suffer the most.

John Bercow (Buckingham) (Con) *rose—*

David Miliband: I ask the hon. Gentleman to contain himself.

Jeremy Corbyn (Islington, North) (Lab) *rose—*

David Miliband: Can my hon. Friend let me make a little progress?

Jeremy Corbyn: I want to intervene on this particular point.

David Miliband: I give way on this particular point.

Jeremy Corbyn: I was interested in what the Foreign Secretary said about the International Monetary Fund and the World Bank and their poor reputation in the past. Will he assure us that during this difficult period there will be no return to the conditionality of privatisation and that there will be support for the development of localised industries and local supportive economies in Africa, rather than for the failed policies that the IMF imposed on many poor countries in the past?

David Miliband: There is a longer debate to be had about the successes and failures of IMF "reforms", including in the 1990s, to which I think my hon. Friend is referring. Anyone who follows these issues will know that a lot of experience has been gained from what happened in the 1990s. My hon. Friend the Member for City of York (Hugh Bayley) made the point that African countries are different from each other and should not be lumped together, and that applies to all the countries in which the IMF operates. One of the lessons of the 1990s is that a single transferable model is not necessarily appropriate in all circumstances. There needs to be proper flexibility.

Pete Wishart (Perth and North Perthshire) (SNP): Will the right hon. Gentleman give way?

David Miliband: No. After I have made some progress, I will be happy to take further interventions.

Pete Wishart: On this point?

David Miliband: No. I am sure that the hon. Gentleman will find a way to get his point in. I trust that he has sufficient ingenuity to find a way to ask me a question about this issue later.

Our relationship with African countries is much broader than development assistance, but that assistance is important—not least the commitment to the target of 0.7 per cent. as a share of GDP, to which this and many other countries have committed, but which very few have reached. Beyond development assistance, we need to tackle the root causes of poverty and insecurity, some of which were raised earlier: poor governance, conflict, lack of access to trade and climate change. I would like to go through all four, with some specific examples.

The first issue is governance. People in Africa are demanding that their states be more accountable to their citizens. There have been 60 multi-party elections in the past five years. Those in Ghana in December and in Sierra Leone in 2007 demonstrate real commitment to democracy. Parliamentary elections in Angola last year were an important step forward in consolidating peace and strengthening democracy. The UK was the biggest bilateral donor to the ground-breaking election in the Democratic Republic of the Congo in 2006. However, there is more to democratic governance than elections. Functioning democracies rely on an active civil society, a vibrant media, improved social conditions and tackling corruption. That is why throughout Africa we are working to build the institutions that can support democracy—not only in the DRC, but in places such as Malawi.

Pete Wishart: I am glad that it is not beneath the Foreign Secretary to take an intervention from one of the smaller parties.

There have been four coups in the past six months in Africa, and eight of the worst dictators are in sub-Saharan Africa. Governments are desperately abusing the state apparatus to stay in power. Does the Foreign Secretary think that there is a crisis in multi-party democracy in Africa and what is he doing to try to challenge and address that?

David Miliband: I was about to come to the fact that there has been increasing disregard of constitutional rule, most recently evident in Madagascar, in the coups in Mauritania and Guinea-Conakry and in the murder of the President of Guinea-Bissau. All those issues speak to a disregard for democratic norms that is very

[David Miliband]

worrying. Two things are important. First, it is significant that the African Union should have been so alarmed by those changes; the way in which it has spoken up has been important. Secondly, we need to make our position clear in each such case, and that is what we seek to do—not least in respect of the case that for many in the House is the greatest affront to democratic norms: the situation in Zimbabwe.

Nowhere is the challenge of promoting democracy more evident than in Zimbabwe. The whole House is desperate to see an end to the suffering of Zimbabweans achieved through governance that restores economic and civil rights to its people; more importantly, so are the people of Zimbabwe. For years, the country has been led on a path of economic ruin and human suffering. Turning that around is a formidable challenge. It needs the Movement for Democratic Change to be allowed genuine power within the new Government. We all hope that Morgan Tsvangirai's appointment as Prime Minister offers the change that Zimbabwe needs. We commit to working with him to support stabilisation and recovery. That is why we have increased our humanitarian assistance and will spend £50 million this year to help to feed Zimbabwe's people, combat cholera, and improve access to clean water and sanitation. But the international community could do so much more if we knew that our assistance would be well used. We need to see that the new Government will be allowed by ZANU-PF to take the measures necessary to end the suffering of the Zimbabwean people. There are some important signs of progress. For instance, public sector workers have recently been paid; and Deputy Minister Bennett has been released. However, there is an enormous task ahead: to stabilise the economy, to restore the rule of law, and to restate and re-enact commitments to human rights and democratic processes.

Today I spoke to our high commissioner in Harare in advance of this debate. The political situation in Zimbabwe remains very delicate. Yet the meeting of donors in Washington last Friday brought the international community together to focus on humanitarian issues. The next step, after the humanitarian assistance and the improvements in governance that we hope to see, is to develop a thorough-going reconstruction partnership with the Government of Zimbabwe when we are confident that all money will be used for the right purposes—above all, for the benefit of the Zimbabwean people.

We are also concerned about British nationals in Zimbabwe—a concern that I know will be shared across the House. The UK Government recently launched a package offering assistance to elderly and vulnerable British people to resettle in the UK. These are Britons who are no longer able to support themselves in Zimbabwe because of the severe economic, social and health care problems that affect all who live there—something that the new Government have barely begun to address.

The second area that I want to focus on is conflict, which still scars the continent, causing huge human suffering. The long-term challenge is to build Africa's capacity to address its conflicts through the African Union. That is why the UK has trained 12,000 African peacekeepers since 2004-05, and we continue to support the development of the African peace and security architecture, in particular the African standby force, whose eastern brigade the UK supports through a dedicated British peace support training team in Nairobi. The UK is also helping to build AU diplomatic and early warning capacity through support for a new network of AU political offices.

We are also, of course, actively engaged in trying to make our contribution to the resolution of the worst conflicts. Following my visit to the great lakes with French Foreign Minister Kouchner last November, we urged regional leaders, led by President Kikwete, to launch a process whereby African mediators helped to restore peace and stability. Thankfully, under UN auspices former President Obasanjo has helped to promote significant change—remarkable change in many ways. Co-ordination between the DRC and Rwanda has led to significant improvements in the situation in the Kivus. However, although joint military action against the FDLR—Democratic Forces for the Liberation of Rwanda—militias is to be welcomed, the risk of reprisals remains. Hundreds of thousands of people continue to live in fear of disease and violence.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I very much welcome what my right hon. Friend is saying about conflict prevention. Does he agree that we cannot solve the problems of countries such as Angola and the DRC, which are very rich in mineral and diamond resources and so on, unless the wealth is properly shared—as we on the Labour Benches would rightly say—not for the few but for the many?

David Miliband: My right hon. Friend has taken a lifelong interest in these issues and speaks of them not only with huge moral force but with practical and political experience. He makes an absolutely fundamental point. The issues of resources cannot be divorced from the issues of conflict and suffering that exist in places such as the eastern DRC. However, he will be the first to say that it is easier said than done to break the link between resources, criminality and corruption and create a different kind of circle in which those resources are used for the benefit of local people. The foundation of doing that must be the sort of security arrangements that he strongly supports. I am about to say something about the work of MONUC—the UN mission in the DRC. He is absolutely right to point to this matter as being an important part of the solution. The terrible tragedy is that some parts of the world with the greatest wealth buried in them are also home to the greatest numbers of poor people.

Mrs. Claire Curtis-Thomas (Crosby) (Lab): Does my right hon. Friend agree that part of the problem faced by very poor countries that may have considerable resources is the lack of the technical capacity within ministerial ranks to draft legislation, and to produce contracts as a result of that legislation, that protects that country's interests?

David Miliband: My hon. Friend raises an important point. It is not the part of development work that gets the most media attention, but that back-office support and building of institutional capacity are vital to any sort of sustainable development in those countries. She is right to raise that point.

Mr. Andrew Pelling (Croydon, Central) (Ind): I was pleased that the right hon. Gentleman mentioned Sierra Leone. It is a rather poor nation, unfortunately not as blessed with resources as others. To what extent should we be concerned about the recent conflict between the All People's Congress and the Sierra Leone People's Party supporters in Freetown? In such circumstances, to what extent is the responsibility on us as the former colonial power or, as he suggested earlier, on other African nations to provide support for democracy in that country?

David Miliband: All friends of Sierra Leone, in all parts of this House, should be concerned about the situation there. The Under-Secretary of State for International Development, my hon. Friend the Member for Bury, South (Mr. Lewis), will be travelling to Sierra Leone tomorrow, and I know that this question will be high on his agenda. Throughout government and in civil society, there are profound links between Britain and Sierra Leone and we all want to see progress there. I am sure that my hon. Friend will report back to the House after his visit.

Right hon. and hon. Members took a lot of interest in the situation in Kenya, and I shall address that, given the focus on conflict. We remain concerned for the country's future. There are signs that the reform process begun 15 months ago might be losing momentum. Insufficient efforts have been made to end the climate of impunity, and the failure of the Kenyan Parliament to agree the formation of a special tribunal was a setback for efforts to secure justice for victims of the post-election violence. Corruption and mismanagement are still significant problems; recent allegations underline why Kenyans are calling for their Government to show that they are accountable and transparent, and to uphold the rule of law. Unless the pace of political reform picks up, the outlook is bleak. We want progress on the national accord in order to prevent a repeat of last year's violence.

Elsewhere, it is clear that a strong international role is needed. In Sudan, the UK is a strong supporter of the Darfur political process and the African Union-United Nations chief mediator, Djibril Bassolé. We will continue to support efforts to reach a lasting political settlement with security established and civil society engaged. We shall work for a lasting political accommodation between Khartoum and Juba that ensures full implementation of the comprehensive peace agreement.

I want to say a little about the International Criminal Court. Sudan's response to the ICC's issue of an arrest warrant for President Bashir is no excuse to derail the objectives of securing long-term peace. I urged the Government of Sudan to engage fully with the court, reiterating the UK's consistent support for the ICC, and calling on all parties to avoid escalation. That raises the question of humanitarian support in that country, given the announcements by President Bashir.

The UK pledged £330 million for Sudan for 2008 to 2011 at the Sudan consortium of international donors in May 2008. The immediate concern is the human suffering created by the dismissal of international non-governmental organisations. Initial estimates suggest that those non-governmental organisations provided 50 per cent. of the current humanitarian relief effort in Darfur alone. Their expulsion could result in 1 million people losing access to clean water and sanitation, up to 1.5 million losing access to primary health care and disruption to food distribution for up to 1.1 million people. We will continue to urge the Government of Sudan to reverse their decision and are working closely with the UN and NGOs on contingency measures to get aid to the most vulnerable. That will continue throughout April, when key decisions will have to be taken in Khartoum by the Government of Sudan, and any response by the international community, whether in New York or elsewhere, will have to be forthcoming, including issues to be considered by the African Union, based in Addis Ababa, and the Arab League.

Mrs. Curtis-Thomas: I am grateful for my right hon. Friend's indulgence. On Kenya, will he say a few words about the role of the Kenyan Government in the trial of pirates who were recently captured on the seas off the east coast of Somalia?

David Miliband: I would be delighted to say something about that. I liaised with the Kenyan authorities and asked them if they were willing to allow their legal processes to be used for the trial of some of these alleged pirates, and they were extremely forthcoming. That is what will happen for the first tranche of those involved. That is an important step forward and a good contribution by the Kenyan authorities to tackling that international problem.

Tony Baldry (Banbury) (Con): The whole House will support what the Foreign Secretary has said and what the Government are doing in relation to Darfur, but does he not find it somewhat disappointing that the international community as a whole—this is no criticism of the UK Government—has not yet managed to find a single helicopter to support the UN peacekeeping mission there? The General Assembly of the UN will soon consider the Secretary-General's report on the responsibility to protect. If the international community is not willing to provide any lift capacity, the responsibility to protect will become a pretty hollow concept.

David Miliband: I know that the hon. Gentleman takes a deep interest in these issues, and he raises a very important point. There are too many signs of buyer's remorse about the responsibility to protect. Some of those who signed up in 2005 are now beginning to realise what they were letting themselves in for and are much less keen on the consequences. That poses a threat to the impetus that was provided by the responsibility to protect. It is important to emphasise that that was not a licence or mandate for "the west" to go marching around the world imposing its own values. It was first a responsibility on Governments not to abuse their own people and secondly a responsibility on the international community to intervene in the most extreme circumstances when countries failed in their responsibilities to their own people. The responsibility to protect lies in the first instance with a sovereign Government. It is only when that responsibility is broken that our responsibilities come into play.

The hon. Gentleman makes an important point about helicopters, and he will know that we debate helicopter capacity in debates on subjects from Afghanistan onwards. Too often, helicopters for development come at the bottom of the queue. I think that I am right in saying that the UK and France have been active together in trying to push the issue, but he is right that we have a long way to go before we can show people that we have made real progress.

Mike Gapes (Ilford, South) (Lab/Co-op): My right hon. Friend referred earlier to conflict prevention. Does he share my concern that because of the pressures that the Foreign and Commonwealth Office's budget is under, it has had to reallocate resources for paying international subscriptions? That includes reducing the resources available for conflict prevention in Africa, as well as in other parts of the world. I understand the problems that he has, but does he agree that the Government as a whole should pick up the consequences of changes in exchange rates and not put the pressure on the FCO's budget?

David Miliband: If the House will allow me, I am happy to give my hon. Friend's question the detailed response that it requires. First, it is not actually just our budget; it is a joint budget of the FCO, the Ministry of Defence and the Department for International Development. Secondly, he is right that the budget for stabilisation and conflict prevention is under huge pressure. That is partly because of exchange rates, but more significantly—I think that this will interest the House—because of the big rise in the amount of UN and EU peacekeeping around the world, notably in Africa. Many Members will say that that is a good thing, but the UK ends up having to pay a significant share of the bill. That means that we have less money in the pot for discretionary interventions for conflict prevention.

The rise in our assessed contributions—our compulsory contributions to UN and EU missions—will be greater than the fall in our discretionary contributions to Africa, but my hon. Friend is none the less right that there is significant pressure on that part of the Government budget. He uses the term "international subscriptions", which makes it sound as though we were subscribing to a set of journals or magazines, but we are paying for troops on the ground. He is nevertheless right that those contributions to international peacekeeping efforts drain money from a limited pot. The rise in our compulsory contributions to Africa, however, will outstrip the unfortunate fall in our discretionary contributions.

Before speaking about trade, I want to say something about Somalia, which has suffered conflict and ineffective government for nearly 20 years. Significant changes have occurred there, even since I attended the UN Security Council in December, where the issue was debated. Since President Sharif's election, his effort to establish a more inclusive Government offers the best chance for many years to address the country's problems. In support of the political process, we are underpinning the African Union Mission in Somalia—AMISOM. This year, we have pledged a further £4.9 million directly to the AU and £10 million to the UN trust fund. Political progress is important in Somalia, because although AMISOM, which focuses on three parts of Mogadishu, can do some good, a political process is ultimately needed. President Sharif's start is therefore significant. Following the departure of Ethiopian troops in January, the country did not descend into chaos. President Sharif has made an impressive start.

I was asked earlier about trade and I am happy to continue to reassert the Government's commitment to open trade as a basis for sustained progress for some of the poorest countries. Those seeking the dignity of making their own way through selling their produce should get our support. The UK is working to ensure that the economic partnership agreements reflect the development needs of African states and provide new trading opportunities, with Europe and regionally. Through infrastructure and policy development, aid for trade allows countries to build capacity and integrate regionally and globally. The UK is on track to exceed our pledge to increase aid for trade by 50 per cent. to $750 million by 2010. The recent pre-London summit Africa outreach meeting, which the Prime Minister hosted, agreed on the need for improved access to resources and markets for African nations, argued that protectionism should be resisted, and encouraged countries to sign up to the Doha round.

John Bercow: I am grateful to the Foreign Secretary for giving way and I welcome his comments. Given that Benin, Burkina Faso, Mali and Chad depend for somewhere between 30 and 40 per cent. of their export earnings on cotton, but that the United States spends somewhere between $3 billion and $4 billion a year on subsidising 25,000 high cost, inefficient but politically influential cotton producers, is not it about time we tried to persuade President Obama to take a more progressive view of the matter than his predecessor, in the interests of west and central African development?

David Miliband: I, in turn, am grateful for the hon. Gentleman's question. However, to say, "It's about time" in respect of President Obama on day 70 or 71 of his tenure suggests an impatience that I do not associate with the hon. Gentleman's approach. He knows as well as I do why the Doha talks broke down. It is important at a time of economic crisis to reassert the fundamental importance of open trade. I know that that will be discussed with President Obama.

Africa's prosperity, security and development are all threatened by climate change, which will exacerbate existing tensions over scarce resources and create mass migration. The most recent report by the Intergovernmental Panel on Climate Change warns that climate change could produce a 50 per cent. drop in food production in sub-Saharan Africa. An ambitious deal at Copenhagen this year is therefore critical to Africa's future. As part of that, we need to improve access to carbon finance to enable African countries to move directly to low-carbon development, and we need to support adaptation to the climate change that is already in train.

In addition to our enhanced bilateral effort in Africa, on which I have concentrated so far, we are also increasingly working through the EU to provide assistance to Africa. The EU now provides significant support for African action on conflict. For example, the Africa Peace Facility, which was created in 2004, remains the only African-owned, predictable source of donor funding for AU peacekeeping. For 2008-2010, €300 million is available to be released at the request of the AU.

Dr. Andrew Murrison (Westbury) (Con): My hon. Friend the Member for Buckingham (John Bercow), perhaps slightly unfairly, attacked President Obama. Could we put our own house in order by reforming the common agricultural policy, thereby lowering some of the restrictionist barriers that exist?

David Miliband: Of course. The continuing reforms of the CAP are important. The hon. Gentleman knows that, as a result of the CAP health check that has been taking place, some relatively minor moves on, for example, milk quotas, will happen. However, there is far further to go.

The hon. Gentleman will also know that the next reforming round for the EU's common agricultural policy will be critical, as we look to the period between 2013 and 2020. In my view, the vision for CAP reform that the Government set out in 2005 remains the only way forward. It essentially means that the first pillar of the CAP—the direct support pillar—will be massively reduced by 2020. Where there is to be support for agricultural areas, it should be given with a much broader view, to support land management and other factors, rather than distorting the trade basis for agriculture. I am glad to hear that the hon. Gentleman supports that.

The EU also provides direct assistance, through civilian and military ESDP—European security and defence policy—missions in Africa. Currently, Operation Atalanta is providing a counter-piracy mission in the gulf of Aden to protect World Food Programme shipping and, on a case-by-case basis, other vulnerable shipping. The EU also has three civilian missions in Africa. When it comes to development assistance and humanitarian aid, the EU is Africa's biggest donor. In 2005, the EU pledged to channel 50 per cent. of collective aid increased to Africa. If all member states manage to keep their commitments, the EU may provide more than 90 per cent. of the G8's $25 billion pledge for Africa over the period 2004 to 2010, increasing aid in real terms by more than €18 billion a year. That would, on any measure, be a significant achievement.

Britain has a long history in Africa. Today we are partners, not masters, of Governments, businesses and trade unions, seeking to build a decent future there. We cannot change everything, but we do make a difference, every day, to people who need our help. I look forward to this debate and to listening to the voice of experience and expertise that exists across the House.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. Mr. Speaker had imposed a time limit of 12 minutes on Back-Bench contributions. Since that time three hon. Members have withdrawn their requests to make a contribution to the debate, so I am in the rather happy position of being able to say that the time limit on Back-Bench speeches will be 14 minutes.

4.52 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): You have brought joy to many colleagues, Madam Deputy Speaker. I should begin by saying that my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) sends his apologies. He is in Paris for meetings with the French Foreign Minister and members of President Sarkozy's team.

This is a landmark—*[Interruption.]* I wish that the people in the cheap seats on the Labour Benches could contain themselves just for a little while here in the palace of varieties. This is a landmark debate as well as an overdue one. The House has debated Africa as a whole only once since 1992, in 2005, when the then Secretary of State for International Development led a debate on poverty in Africa. We on the Conservative Benches therefore welcome the fact that the Government initiated today's debate and hope that it signals their intention to pursue a comprehensive Foreign Office-led approach to the continent, which is simultaneously the source of much conflict and suffering, as well as opportunity and hope in equal measure. We also urge the Government to hold such debates more regularly in future. The interest shown by hon. Members in all parts of the House demonstrates that doing so would be welcome.

Michael Jabez Foster (Hastings and Rye) (Lab): The hon. Gentleman appears to be chiding the Government for a lack of consistency in having debates about Africa. Did the Opposition call for a debate on Africa in their own time at any point in the period that he mentioned?

Mr. Simpson: We are indeed the Opposition, and we have had debates in Westminster Hall. I am talking about the fact that the Foreign Secretary has taken great pride in the importance of having a debate on Africa and about the emphasis placed on it by the current Prime Minister and the previous Prime Minister. I am merely pointing out the facts. I am looking forward to the contribution that the hon. Gentleman will presumably be making in this debate—he will be making a contribution, I trust.

Michael Jabez Foster *indicated assent.*

Mr. Simpson: Excellent. I am very pleased to hear that.

We also welcome the opportunity to discuss Africa in the run-up to the G20 summit later this week. The whole House will agree that the developing world must be engaged in efforts to reform the financial order and that African countries have a stake in the outcome of the summit. As the Foreign Secretary has emphasised, that is particularly true as the world's poorest countries are the most vulnerable to what is being called the third wave of the global crisis and as they have the fewest resources available to deal with the consequences of the downturn.

The World Bank and other organisations are warning of reduced tourism earnings in Africa, dwindling remittances from overseas workers, a tapering of foreign investment, falling export earnings and squeezed Government revenues owing to lower commodity prices. Action Aid has calculated that, by the end of this year, Africa will have suffered a real drop in income of some $50 billion since the beginning of the crisis.

Lower economic growth rates in Africa will have a significant impact on efforts to lift people out of poverty, condemning millions to remain living on less than a dollar a day and setting back efforts to reduce infant mortality and to meet the millennium development goals, particularly if donor countries struggle to meet their commitments to international aid programmes. The recent revelation by the Foreign Secretary that the UK has to scale back its peacekeeping commitments due to rising costs—a subject to which I will return—is a worrying development, and we expect the Government to keep the House fully informed on that matter. Across parts of Africa, the financial crisis will therefore become a human crisis, particularly in those countries that are still locked in conflict or teetering on the brink of conflict—in other words, the countries least able to weather the financial storm.

Hugh Bayley: The impact of the economic downturn is already being felt in many African countries. In Tanzania last week, members of the International Development Committee had the opportunity to meet

[Hugh Bayley]

the Minister for Finance, Mustafa Mkulo. He took the view that African countries such as Tanzania needed more fiscal space to generate demand for local products such as coffee, but he also spoke in favour of a fiscal loosening in developed countries such as ours, because he felt that that would encourage greater exports to our countries. Would the hon. Gentleman also support such a policy?

Mr. Simpson: The hon. Gentleman has raised an interesting point. Different views are expressed by different countries in Africa; I have had some interesting conversations with visiting Ministers on the matter. We need to look at whatever measures will help those countries; there might not be one coat that fits all. Indeed, I have been struck by the danger of generalising about "the African economy", just as one would not wish to generalise about "the European economy".

There have been no fewer than 90 coups in Africa in the past 50 years, and 125 failed attempts. In the past year, coups have toppled the Governments in Mauritania, Guinea Conakry and Madagascar, and the President of Guinea Bissau was assassinated by renegade soldiers. As the Foreign Secretary pointed out, the situation in Zimbabwe has continued to deteriorate and, although a unity Government are now in place, there are serious doubts about their future. Somalia has had no stable Government for nearly two decades. The fragile peace agreement between north and south Sudan is in danger of unravelling, and the recent expulsion of aid groups from Darfur by President Bashir has exacerbated the ongoing humanitarian tragedy. A few months ago, we witnessed appalling human rights abuses on a major scale in the Democratic Republic of the Congo. Any one of those conflicts merits an entire debate in its own right, and I will return to them later. I am sure that many colleagues will wish to talk about them as well.

First, however, it would be wrong not to pay tribute to some of Africa's success stories, although I recognise that, in some cases, we should add a negative caveat. Ghana saw a remarkably peaceful transition of power after presidential elections in January this year, despite the fact that less than a percentage point in the popular vote separated the two candidates. Botswana has undergone a remarkable transformation from one of the poorest countries in the world in the 1960s to a middle-income country with one of the fastest growing economies in the world. Sierra Leone has emerged from a decades-long, bloody civil war, and it held its first free, fair and largely peaceful elections in 2007. Last year, Rwanda became the first country to have more female than male Members of Parliament. In Liberia, the arrest of Charles Taylor for war crimes sent a powerful signal, and the first female African Head of State was elected in 2005.

The World Bank has stated:

"Over the last decade, Africa has registered its highest and most consistent economic growth."

It went on to describe:

"Average growth rates of 5.3 per cent., now sustained into a second decade for the 15 best performing African countries".

This forward progress needs to be sustained and built on, alongside efforts to bring about solutions to the persistent conflicts.

Dr. Murrison: Will my hon. Friend add to his list Morocco, which has strong and increasing trade links with this country and defence links with Europe and ourselves? In particular, will he congratulate Trowbridge in my constituency and Oujda on being twinned 10 days ago? We look forward to improved cultural exchanges as a result. Morocco is, I think, something of a beacon of hope, so will my hon. Friend add it to his list?

Mr. Simpson: I will certainly add it to my list, but one of course then gets into a debate about the definition of what is considered to be Africa rather than the north African peripheral.

Jeremy Corbyn: Before the hon. Gentleman gets carried away with paeans of praise about Morocco, would he care to cast a thought for a moment on the poor benighted people of the western Sahara who have spent the last 30 years in refugee camps in Algeria? Does he not think it time for a referendum to be held among them so that they can decide their own future?

Mr. Simpson: As I said at the beginning of my speech, I am very conscious that caveats may be expressed about all the countries I have mentioned. At this stage I am trying to emphasise the positive aspects, although I recognise that there are negative aspects to many of those countries. I am grateful to the hon. Gentleman for attempting to help me on that particular point.

Let me deal with UK policy towards Africa. We recognise that taking a joined-up approach towards conflict prevention and management in Africa—across the Foreign and Commonwealth Office, the Department for International Development and the Ministry of Defence—is the right one. However, there is concern that UK policy towards Africa has in some respects lost its way and that the Foreign Office has perhaps not taken a lead in defining policy.

The London director of Human Rights Watch, Tom Porteous, argues in his book, "Britain in Africa" that a shift occurred under the leadership of the right hon. Member for Birmingham, Ladywood (Clare Short), as British policy towards Africa began to be led by aid policy and not diplomacy. He argues that

"just at the moment when donors began to recognise the importance and centrality of governance to successful economic development, the UK government was transferring decision-making from a department that had the political and diplomatic skills and tools to improve governance to one that"—

sadly—

"did not."

He goes on to say:

"DfID's ascendancy on African issues came at the cost of a significant decline in the FCO's diplomatic and analytical capacity in Africa".

This must a concern when an understanding of the extremely varied history, culture and politics of African countries is surely the prerequisite for sound policy making. Porteous continues by saying that "in the very year"—2005—

"that Tony Blair declared to be the year of Africa... the FCO's directorate responsible for Africa was forced to slash its budget—closing embassies in Swaziland, Madagascar and Lesotho".

He also points out that the post of Minister for Africa was reshuffled five times in 10 years from 1997 to 2007.

Mr. Tom Clarke: The hon. Gentleman will forgive me if I say that I am slightly worried by his remarks. He said earlier that these matters should be Foreign Office-led, and we then had one brief reference to the Department for International Development. Can he assure me that, in the event of his party being elected, DFID will still remain an independent Department, responsible for international development, with a spokesperson in the Cabinet rather than being consumed by the Foreign Office?

Mr. Simpson: I am genuinely grateful to the right hon. Gentleman for allowing me to make that point quite clear. He will, of course, have read with great interest the speech of my right hon. Friend the Member for Witney (Mr. Cameron), the leader of the Conservative party, on 29 June 2006. In that speech to Oxfam, he made it quite clear that

"an incoming Conservative government will keep DfID as an independent department."

That is a fact, which I am happy re-emphasise.

The Parliamentary Under-Secretary of State for International Development (Mr. Ivan Lewis) *rose—*

Mr. Simpson: In between his gossiping, the Minister wants to intervene, so of course I give way to him.

Mr. Lewis: Will the hon. Gentleman confirm that DFID will be an independent Department with a Secretary of State at Cabinet level?

Mr. Simpson: Yes, I think one follows from the other. I am quite happy to reconfirm that—*[Interruption.]* Does the Minister want to intervene again? No? Yes. Come on then.

Mr. Lewis: Can the hon. Gentleman confirm not only that there will be an individual Department, but that it will have a separate and distinct Secretary of State speaking on development issues in the Cabinet? Will he give an unequivocal commitment? Yes or no?

Mr. Simpson: I used to have cadets like this at Sandhurst. They were in the bottom 10 per cent. of the intake. Watch my lips! What does the Minister not understand about "There will be a separate Department for International Development which will have as its senior Minister a Minister in the forthcoming Conservative Cabinet"? Does he wish to intervene again?

Tony Baldry: Are not the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) and the Minister pursuing the wrong point? In the view of many of us who are supporters of the Foreign Office, the point is that the Foreign Office's budget has been squeezed. This is not an attack on the Foreign Office. Ministers, including the Secretary of State, need to understand that many Conservative Members recognise that its resources are being continuously stretched. The Foreign Office consists, literally, of resources, people and buildings, and people are very important. Where the Foreign Office's budget has been squeezed in recent years is in its resources for Africa, and that is cause for concern.

Mr. Simpson: I am grateful to my hon. Friend, because that is a point that I want to develop. A great deal of sympathy is felt with members of both the International Development Committee and the Foreign Affairs Committee—

Mike Gapes *rose—*

Mr. Simpson: —the Chairman of which wishes to intervene. Of course I give way to him.

Mike Gapes: I am pleased that the Opposition agree with the Foreign Affairs Committee, which expressed concern when the high commissions in Lesotho and Swaziland were closed. We said that there were problems because whereas the DFID budget has increased significantly—in fact, trebled—the Foreign and Commonwealth Office has had to deal with a budget that is at a standstill or is declining in real terms, and that has consequences.

May I, however, return the hon. Gentleman to the quotation that he read out earlier? I believe that he was quoting from a speech made by the Leader of the Opposition in September 2006. Is it not the case that the right hon. Member for Richmond, Yorks (Mr. Hague) was not Leader of the Opposition at that time? [HON. MEMBERS: "He was."] He was?

Mr. Simpson: I am always prepared to hold a seminar on the history of foreign affairs for the benefit of the Foreign Affairs Committee. Indeed, I am about to produce my Easter reading list, and I will happily copy it to the distinguished Chairman of the Committee.

Does the Minister wish to have another go? It seems that he does not. He is right to quit while he is ahead.

Mr. William Cash (Stone) (Con): I am sure my hon. Friend is aware that, as part and parcel of some of the reduction in Foreign Office input, there is apparently—so it is claimed—a compensation. As the European Scrutiny Committee has observed recently, European Union representatives are being appointed who are effectively subsuming many decisions, and unfortunately, on a confidentiality basis, are taking instructions directly from Javier Solana. Does my hon. Friend see that as a move in the right direction?

Mr. Simpson: My hon. Friend always makes an interesting European point at this stage in a debate. I shall look into what he has said with a great deal of interest.

I am sure that the Foreign Secretary will join me in paying tribute to the hard work done by officials of both the Foreign and Commonwealth Office and DFID in some of the most appallingly difficult circumstances that arise in missions to Africa. Many not only experience difficult working conditions but, at times, face direct threats from local people who wish to endanger their lives.

There are now 22 African countries where Britain does not have resident diplomatic representation. We recognise that in some instances, such as Somalia, the absence of an embassy is a question of security, but, as was pointed out by the Chairman of the Foreign Affairs Committee, the hon. Member for Ilford, South (Mike Gapes), other decisions appear to have been driven by

[Mr. Keith Simpson]

cost. The closure of the embassy in Mali has seen Britain lose its diplomatic foothold in a strategic country that borders Algeria, Niger and Côte D'Ivoire for a saving of about a quarter of a million pounds annually.

The Chairman of the Foreign Affairs Committee raised a very important point about the Africa conflict prevention pool. As Members will know, in 2006-07 it was allocated more than £64 million, but the Foreign Secretary revealed just last week in a written ministerial statement that that budget will be cut to £43 million. The Foreign Secretary has said that, on one level, the rise in our compulsory subs will more than match the fall in our discretionary subs, but many Members will nevertheless be concerned about that cut. Among other things, it involves shifting resources away from western Africa. According to the UK's sub-Saharan strategy for conflict prevention, western Africa includes Nigeria as one of the strategy's four key target countries. When the Minister winds up, will he confirm whether funding for programmes in Nigeria will be cut? Will he also confirm whether the Government believe they have met their specific targets for Nigeria, or have they been abandoned? In his written ministerial statement, the Foreign Secretary gave very little information about the impact this dramatic budget reduction for conflict prevention in Africa will have in the affected countries, or any details of which programmes will be cut. Will the Minister provide more information on this vital subject? Will he also say when the Government plan to publish details of the revised strategy for Africa, as well as of UK conflict prevention funding for other regions?

As the Foreign Secretary has said, those cuts have been made because of the combination of a fall in the value of sterling and a rise in the number and extent of EU and UN missions, but, nevertheless, that combination has drastically reduced the purchasing power of the Foreign Office's budget. That decline follows the Treasury's decision to withdraw from the overseas price mechanism, which protected the Foreign Office budget from currency fluctuations. That gives rise to the question why this impact was not foreseen and why that self-inflicted wound was allowed to be sustained. Ultimately, the impact of that means that the Foreign Office's ability to carry out its vital work in Africa will be constrained.

The Foreign Secretary also knows that we believe that the Government have not paid sufficient attention to the opportunities presented by the Commonwealth, which has 18 member states in Africa. Sadly, the only place where the Commonwealth was mentioned in the FCO's most recent strategic plan was in the title of the document. It is striking that a country such as Rwanda, which has no historical ties to Britain, is currently seeking membership of the Commonwealth. The Commonwealth offers Britain the chance to widen its circle of influence, as it can be used to strengthen relations in Africa, and such partnerships are crucial to promoting good governance based on the values we espouse.

Let me now briefly turn to some specific areas of concern. The importance of the UK pursuing an active and consistent policy is nowhere more apparent than in the horn of Africa. In this Chamber and in Westminster Hall we have had a series of debates on the situation in Somalia, Yemen and the gulf of Aden. Ungoverned regions are providing opportunities for al-Qaeda and other terrorist networks to consolidate, raise money and plan operations. There are reports that the money that pirates extract through hijackings is helping to pay for the war in Somalia. While there is no sign of a strategic alliance between the pirates and Somali Islamists, that future possibility cannot be excluded. In the same way as drug trafficking and production have been funding the Taliban in Afghanistan, the loot from piracy could be used to finance radicals in the region. It is therefore crucial to prevent such a link from being established, and everything must be done to ensure that that unstable region does not turn into a failed one, with the consequences reaching far beyond the horn of Africa. When the Minister replies, I hope he will be able to tell us in more detail about the Government's strategy for the region and their attitude towards the increase in piracy.

I am sure that many colleagues will be eager to mention the dreadful situation in Darfur, which, tragically, is now in its sixth year. Following the expulsion of the 13 largest aid agencies by President Bashir, it is estimated that water shortages will occur in the next two to four weeks and more than 1 million people will not have food by May. The Foreign Secretary has emphasised the pressure that the Government, along with our partners, are trying to bring to bear on the Government of President Bashir, and we support that. Can the Minister give us any hope that that pressure will lead to any attempts by the Sudanese Government to reverse their decision? Does he not agree that this callous act by President Bashir compounds the situation and makes life even worse for the poor people living there? Surely we can also all say that we support the action taken by the International Criminal Court to place President Bashir in the dock, and that we should resist any proposed delay under article 16 of the Rome statute that would allow him to escape the due processes of justice.

I also wish to raise the situation in the Democratic Republic of the Congo. Although we welcome the capture of Laurent Nkunda in Rwanda in January and the signature in Goma of peace agreements between the Congolese Government and the CNDP, and the Government and other armed groups in North Kivu and South Kivu, on 23 March, the immediate protection of the civilian population remains uncertain. When does the Minister expect the 3,100 additional forces for the United Nations mission in the Democratic Republic of the Congo, which were authorised by UN resolution 1843 on 20 November, to be deployed? The resolution calls for "immediate deployment", but some four months have now passed, so what progress has been made in eliciting commitments from countries to offer peacekeeping troops for the mission?

I come to what we believe British policy towards Africa should be and how it should be underpinned by five important guiding principles—on this, we come very close to the line taken by the Foreign Secretary. The first principle is that we must recognise that we need African-led solutions to the region's problems if the solutions are to endure and to have legitimacy.

Hilary Armstrong (North-West Durham) (Lab) *rose—*

Mr. Simpson: The right hon. Lady has been chuntering in a delightful way for the past half an hour, so of course I shall give way.

Hilary Armstrong: The hon. Gentleman knows that I always chunter. He talks about "African-led solutions", and we have to do a lot more on those, particularly in helping people in civil society to be active across the board. Perhaps he will join me in congratulating VSO Jitolee—the Kenyan independent Voluntary Services Overseas organisation—which is organising the work of internal volunteers. People from Kenya are volunteering to work not only all around Africa, but in Kenya itself, to go to different communities in order to build up greater knowledge and understanding of different tribes, and of the benefits of working together. That is the way in which Africa will be able to build its resilience against conflict, because such volunteering will make sure that the ordinary people make their difference, while the politicians continue to do nothing in countries such as Kenya.

Mr. Simpson: I thank the right hon. Lady for that intervention; she has taken a long interest in this area and I concur with what she said. "African-led solutions to the region's problems" can be very trite phrase, but we know that the problems in the two major conflict zones where British troops are involved—Iraq and Afghanistan—can be properly resolved only by building up the local institutions, both at the government and at the voluntary level.

The Minister of State in another place, who has enormous experience in the region, has invested a great deal of time in promoting peaceful resolutions of the crises in Kenya and Zimbabwe, and in persuading Zimbabwe's neighbours to take a more active role. The condemnation of the Mugabe regime by Botswana sent a powerful signal and was, in many respects, a turning point. South Africa, in particular, has the capacity to take a decisive leadership role in the region, as does the Southern African Development Community as a whole. We also welcome the emergence of a new role for a former UN Secretary-General, as a heavyweight regional leader and statesman who has been prepared to put his experience and skill to use in mediating in crises; we hope that Mr. Annan will continue to make a valuable contribution and that he will be joined by others.

The second principle that should guide British policy towards Africa is that we must promote good governance and the rule of law, while recognising, as perhaps we should, that in many countries in Africa local people demand security more than anything else—that is not necessarily the same as good governance and the rule of law.

It is a very difficult thing for any western Government to square that, but we should recognise that sometimes establishing security first is the most important priority.

Britain has made, and can make, a valuable contribution to reforming civil institutions such as the police and judiciary by sharing our experience and best practice. Strengthening rights for citizens and democratic institutions is the best way to ensure that countries become increasingly capable of resolving their own disputes.

Mr. Cash: My hon. Friend implied, but did not quite spell out the word, "corruption". Are we equally determined to ensure that, throughout Africa, where there are problems with corruption, we will tackle them at our end?

Mr. Simpson: My hon. Friend raises an important point, and successive Governments have tried to do that. It is not easy. Other hon. Members have far more experience than I do, but when I have talked to the non-governmental organisations, they say that money should be put in at the bottom end rather than the top end, where a considerable cut can be taken.

Thirdly, we must promote human rights. The current arrest warrant for President Bashir, in relation to crimes against humanity and war crimes in Darfur, is an important milestone in this respect—*[Interruption.]* If I were still teaching at Sandhurst, I would tell those two cadets on the Labour Benches to pipe down. It is rude and they should pull themselves together—

Madam Deputy Speaker: Order. Perhaps we may now continue the debate in the usual way.

Mr. Simpson: I apologise, Madam Deputy Speaker. I got carried away by the repartee.

Mrs. Curtis-Thomas: On the issue of corruption, does the hon. Gentleman agree that part of the problem in incredibly poor countries is that the Government may have insufficient funds to pay realistic salaries to those who head the judiciary? A fallible judiciary leads to many miscarriages of justice in those countries. Does he support the initiative by this Government and many others to support the development of judiciaries, so that they can pave the way to better justice and help to root out corruption?

Mr. Simpson: The hon. Lady makes a powerful point, and the same is true for the police. Sometimes a culture develops—and it has happened in Europe, too—in which taking what we would now call bribes is part and parcel of a system in which officers are not paid very much. There is no easy or quick fix for that.

Fourthly, we need to continue to address the peacekeeping deficit in Africa. A worrying pattern has emerged of under-resourced African Union peacekeeping forces, well below their mandated strength. It is crucial for additional AU capacity and expertise to be built, not just in terms of troops on the ground for stabilisation and peacekeeping missions, but in logistics, funding, training and civilian policing operations. The shortage of helicopters has already been mentioned.

Finally, our policy must be underpinned by a clear conception of the UK national interest—not just our narrow national interest, but that which is served by helping the countries of Africa—which will best be served by investment, enhanced trade, cultural exchanges, the sharing of best practice in health, the environment and education, and where appropriate, military-to-military training and assistance. We must also recognise that much of the heavy lifting is being done by a wide variety of NGOs, which succeed often despite the best efforts of donor countries and local Governments.

African countries have gone through turbulent decades over the past 50 years. They will face further desperate challenges ahead, and we have it in our power to help them. At the same time we must have faith in the Governments who can deliver a better future for their people, and at times we must try to encourage them in what we would call best practice. They are not perfect, but the examples of Ghana, Botswana and Liberia remind us of the opportunities that are so often denied to the citizens of the wider continent by their own leaders. We should therefore continue to stand by to

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help them move away from instability, poverty and coups towards good governance and the rule of law. I welcome the debate and look forward to hearing the contributions of colleagues from all parties.

Several hon. Members *rose—*

Madam Deputy Speaker: Order. I remind all right hon. and hon. Members that the time limit on Back-Bench speeches is now 14 minutes.

5.25 pm

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I shall limit myself to three specific subjects that I believe to be worthy of attention, which were addressed most eloquently by my right hon. Friend the Foreign Secretary. I must add, to be fair, that some of them were also addressed by the hon. Member for Mid-Norfolk (Mr. Simpson).

If time allows, I hope to look in some detail at the specific problems faced by Sudan and the Democratic Republic of the Congo, but first I want to discuss the effect that the recent global downturn has had on the continent of Africa. This month, the Overseas Development Institute published a paper entitled "A Development Charter for the G-20". It looks broadly at the impact of the downturn on the developing world as a whole and sets out a list of key recommendations for ensuring that some of its worst effects are neutralised, with safeguards put in place to ensure that they do not happen in future.

I found it very worrying that the report stated that the share of the people in the world who live in hunger is set once more to go over the 1 billion mark. That means that one in six people living in the world today will be hungry and struggling for survival. Imagine, Madam Deputy Speaker, if one in six people in a developed country lived in hunger. Imagine if it were one in 12, or even one in 50. The chances are that the repercussions would bring down any Government of the day.

In Africa, as ever, the effects of the global downturn are set to hit home even harder. At first, some thought that many African economies that were not so keen as others to enter into the supposedly advanced integrated financial markets were insulated from the initial effects of the credit crunch. However, the resulting fall in demand has hit exports and now, as elsewhere, local banks are unwilling to lend. Some $50 billion is set to be wiped off the value of sub-Saharan Africa's economy alone.

Another problem is the large number of families in many African countries who rely on remittances from relatives abroad to help provide food and clothing. In some countries, that can statistically make up a surprisingly high percentage of the economy. Consequently, a surge in unemployment overseas can end up hurting a local economy almost as much as a surge in that country. Whereas the developed world can offer substantial stimulus packages and loan guarantee schemes, helping to build infrastructures to drive demand, cushioning the worst effects of the downturn and helping to keep credit flowing, the smaller economies of Africa, impoverished by years of debt, manifestly are not so lucky. In the developed world, such problems lead to protest, a surge in unemployment and general strikes. In some countries in Africa, the same problems can lead to famine, civil war and even complete state failure. The crisis may be worldwide, but the stakes in Africa are so much higher, and the consequences so much graver.

With your permission, Madam Deputy Speaker, I should like now to move on to some of the problems faced by those who live in the Democratic Republic of the Congo, particularly in the east of the country. I want to look at the issue seriously, not just because of the 1 million internally displaced persons in North Kivu and not just because I feel that the current situation there has repercussions not just for the DRC but for the whole region, but because the problem has a major impact on the international community, as the DRC is home to MONUC—the UN's largest peacekeeping mission.

The House will know that recently, the Governments of Uganda, Rwanda and the DRC worked together to help to fight the Lord's Resistance Army—the rebel movement located in the east of the country that was largely responsible for the surge in internally displaced people around North Kivu last year. Considering that the DRC has in recent times not just had what might be called frosty relations with its neighbours, but has in fact been engaged in all-out war with them, we can understand the scepticism of international observers and the local population about the sight of soldiers from Uganda and Rwanda entering the DRC. However, by most accounts, the surge against the LRA has been judged by others to be a success. There was evidence of countries co-ordinating their military tactics, and although not destroyed, the LRA's fighting force and capabilities are much reduced.

When the armies of Uganda and Rwanda were asked to leave, they left. Putting aside for a second the reason why they were asked to leave, and the repercussions, I feel that that in itself shows how Governments in the region are now demonstrating a commitment to long-term stability, realising that peace in the region will lead to increased prosperity for everyone—again, for the many, not the few.

Where, we might ask in the midst of all the fighting, is MONUC? Surely, the world's largest peacekeeping force has had a role to play. Alas, no. One of the many concerns when foreign troops first set foot on DRC soil was a lack of communication about their plans and their intentions. Of course, it quickly became clear that, although the armies of Uganda, Rwanda and the DRC were to some extent co-ordinating their efforts, no one was talking to MONUC. What does that say about the UN and its relevance in the modern world? I ask that question as a supporter of the organisation.

When a collection of Governments are willing to contribute troops for a peacekeeping force, what better organisation to co-ordinate and carry out the mission than the UN? The DRC and the whole region have put their differences aside in that conflict, to focus their aims on a greater goal. In my view, the UN deserves our full support to do its job.

I now wish to turn briefly to Sudan.

Jeremy Corbyn: I am interested in what my right hon. Friend is saying. Before he leaves the subject of the Congo, does he also think that one of the contributory

factors to the appalling violence and attacks, particularly on women, in the east has been the amount of money made illicitly from the mining industry, which leads to illicit exports from the Congo—and, indeed, funds a great deal of the unrest and horror that is going on? Does he not think that transparency in mineral extraction is very important?

Mr. Clarke: I do indeed, and that is one of the reasons why I intervened on my right hon. Friend the Secretary of State at an early stage. I take the point made by my hon. Friend the Member for Islington, North (Jeremy Corbyn). I was saying that we ought to focus on the role of the UN, and I referred to a situation in which a collection of Governments were willing to contribute troops to a peacekeeping force. I repeated my strong view that the United Nations ought to be pivotal in that.

I wish to turn briefly to the issue of Sudan. I will keep my comments short, but I find recent developments too much of a worry to allow them to pass without scrutiny, and I am extremely pleased that the issue has already been raised on both sides of the Chamber. Recently, the International Criminal Court issued and stated its commitment to an arrest warrant for Sudanese President Omar Hassan al-Bashir. On hearing of the warrant, Bashir expelled 13 foreign aid organisations and three local ones, largely from Darfur. There are more than a million people in Sudan who rely on that aid. The consequences for them are absolutely dire. It is a wholly unacceptable situation, and I am glad that the House appears to be united in its approach, and in its anger.

Meanwhile, Bashir flouts the travel rule in his arrest warrant by visiting countries not covered by the ICC, such as Egypt and Libya, and does so with impunity. That is all happening while a million people go without food, and much more. We are still waiting for the full deployment of the promised UN peacekeeping force. The Under-Secretary of State for International Development, my hon. Friend the Member for Bury, South (Mr. Lewis), could in his winding-up speech perhaps give us an update on any proposed timetable for deployment of the full peacekeeping force. May I also ask whether any discussions have taken place within the international community about when those expelled aid organisations can get back to work? I do not wish to sideline the importance of the International Criminal Court, but surely those factors must remain our priority, arrest warrant or no arrest warrant. The international community has made a commitment to the people of Sudan not to sit idly by. It really is time to deliver on that commitment.

The Government's rising levels of aid funding, their record on rescheduling debt and their many other actions on overseas aid matters have shown that we are willing to put our money where our mouth is in terms of our responsibility to developing countries—but the truth is that without stability and lasting peace, we cannot tackle the problems with aid and trade alone, important though they are, let alone meet our commitments to the millennium development goals.

It is easy to become sentimental about Africa—about its people, its beauty, its wildlife and its natural resources—but the plain and simple fact is that a practical response is required to all the problems that we have been debating. Alan Paton's "Cry, the Beloved Country", Robert Ruark's "Something of Value" and Trevor Huddleston's "Naught for Your Comfort" still offer inspiration, but time is running short.

5.38 pm

Andrew Stunell (Hazel Grove) (LD): May I begin by apologising on behalf of my hon. Friend the Member for Kingston and Surbiton (Mr. Davey)? He would have liked to have been here, but unavoidably cannot be present.

The scope of the debate is very broad. We welcome the debate, and the opportunity to raise a number of issues. I was pleased to hear what the Secretary of State had to say, and his identification of four key themes—governance, conflict prevention, trade and aid, and the absolutely important issue of climate change and its impact on Africa. Before I give some thoughts and commentary on that, I want to make the point that Africa is such a huge subject that it is impossible for any one speaker, or indeed any one debate, to deal adequately with all aspects of it. It is a continent, not a country. I was impressed to see that if the United States, China, India and all 27 European Union countries were all fitted into Africa, there would still be space left for Argentina and New Zealand. It is a huge continent, not a country.

Indeed, there are 50 countries in Africa, and I am not sure that some of them would want to have been dismissed as being the northern fringes, as they were by the hon. Member for Mid-Norfolk (Mr. Simpson) from the Conservative Front Bench. Africa is a continent of diverse cultures, languages, histories and stages of development. It is important that we do not make the mistake of thinking that there is one common problem facing Africa, and it would be extremely arrogant to suppose that there was one common solution.

I begin by celebrating some of the successes that there have been on the continent. The Secretary of State pointed out that there had been significant economic progress, and progress in tackling the millennium development goals. There has been significant progress on governance as well. The hon. Member for Mid-Norfolk name-checked a number of them. He mentioned South Africa, where the transition from a warped past to an exciting future has been dramatic, and surely beyond the imagination of those of us who saw it starting 25 years ago. It is now a significant regional power and a vibrant democracy, with which I hope the United Kingdom Government will continue to develop an active partnership in tackling some of the problems in other countries around the continent.

Turning to the subject of Ghana, I have in my constituency a close relative of former President Kufuor of Ghana. I was speaking to my constituent a week or two ago and expecting him to be suitably downcast at the defeat of his uncle and his political party in the elections in December, but he was quite cheerful. He said to me, "We are the only country in Africa with three presidents alive and well and living as free men in a free country." He is proud of that transition and of what has happened, and is looking forward very positively to the future of that country's governance.

But even in the most successful countries, there remain serious challenges—poverty, disease and the lack of access to basic services such as water and sanitation, health and education. In countries that do not have the benefit of good governance, where war and conflict are

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endemic or where governance is either notional or despotic, those problems can quickly become overwhelming. The attention of the House in this debate is, rightly, focusing on those areas.

Seventy per cent. of the population of Africa live on $1 a day or less—that is, 600 million people or more, 10 times the population of the United Kingdom. Ninety per cent. of the population of Africa, 850 million people, live on $2 a day. That is despite 7 per cent. economic growth in 2007, a growth performance that it is predicted will halve in the current financial year—and who can say that it will not be worse in the year beyond? Making Africa's population secure and prosperous means tackling the very steep barriers to success.

High among those barriers is the impact of conflicts in states and between states. I shall not rehearse or name-check all that there are, but clearly the disputes in the great lakes region are extremely serious, and have cost millions of lives over the past decade. Darfur and the rest of Sudan is another area of great tension and difficulty, and Somalia, too, has been mentioned. In all those places there has been a failure of governance and a failure to control the outbreak of conflicts.

If conflict is a problem, so too is poor and despotic governance. Zimbabwe is close to the hearts of many Members, but we also have to remember Somalia and other places that get on to our radar less often. Despotic overpowering government is dangerous, and so is weak and ineffective governance.

That issue leads straight on to the health deficit, which has already been mentioned, and is one of the targets of the millennium development goals. HIV/AIDS affects more than 16 per cent. of the population of South Africa between the ages of 15 and 49; in Botswana, Lesotho and Swaziland the proportion is well over 20 per cent. In some ways, HIV/AIDS is the fashionable disease to talk about, but we also need to recognise that malaria is a major killer in Africa, particularly west and central Africa. Tackling those health deficits is clearly of the utmost priority in both the successful and the less successful nations of Africa.

Malcolm Bruce: Is my hon. Friend aware of the importance of bed nets for children in Africa to sleep under at night? The bed net reduces the bites inflicted on a child from an astonishing 4,000 to 40 per night, and it increases the chances of their surviving or avoiding malaria by a factor of about five. Are bed nets not one of the single best remedies for the problem?

Andrew Stunell: My right hon. Friend has a lot of experience in these matters and he is absolutely right. The sad thing is that the remedy of bed nets costs little compared with some of the high-cost drugs needed to tackle other diseases and plagues.

I turn quickly to the impact of climate change and soil exhaustion, which has not yet been mentioned in this debate. In the Sahel region and elsewhere, major problems are caused by climate change, over-cropping and overgrazing. Those problems will undoubtedly result in a reduction of the ability of the land to maintain and produce food for the populations of those areas. There are many other impacts across the whole continent. However, the new factor, which should surely be at the centre of the response from the Government and this country now, is the worldwide recession. The Secretary of State referred to the loss of markets and the decline in international prices for some of the agricultural and mineral products of the African continent.

However, there is also the drop, which has already started, in the support given by rich nations to development in Africa; the cut in aid announced by the Italian Government is perhaps the first and most obvious example. Furthermore, there is the parallel situation that we face in this country, given the declining value of the pound against both the dollar and the euro. Those factors lead to a reduction in African nations' purchasing power for health and investment—a drop in Government income, and in the profitability of trade and industrial concerns in those countries leads to a drop in taxation income. The Secretary of State also rightly mentioned the loss of remittances.

There can be not only a two-way but a four-way hit for many of the African nations. Such issues present huge challenges to their leadership; continuing to provide security for the people and an environment that can deliver health, education and prosperity for all citizens is an almost impossible task. Those nations need help individually and collectively, and I ask the Government to give assurances about how the United Kingdom will work, both bilaterally—one-to-one with the different nations who need it—and multilaterally.

I also ask the Government to acknowledge the successes. Please let us not develop a series of policies that reward only failure in Africa; this issue is not all about emergency aid and peace initiatives, important though those are. Even in Ghana, there is drastic poverty, together with serious malaria infestations and an absence of sanitation and drainage in large parts of the country. These countries must not be forgotten in the rush to the emergency situations.

I want the Government to give an assurance that they will safeguard the United Kingdom's aid contribution. I am glad that the Under-Secretary of State for International Development, the hon. Member for Bury, South (Mr. Lewis), will wind up the debate, because he was kind enough to answer a question that I asked in International Development questions, when he said very robustly that the Government intend to maintain their support. Can he explain how he will do that if the purchasing power of Britain's aid budget is dropping by 30 per cent.? If the United Kingdom's output dropped by 1.6 per cent. in the last quarter of last year, that means that 0.7 per cent. of GDP will be a smaller sum of money when we achieve that target. It would be somewhat ironic, when a new President in the United States is turning things round in US development policy and budgets, if European Union countries, particularly the United Kingdom, were to find that they were making a shrinking contribution. Have the Government, in bringing forward huge rescue packages to get the UK economy going again, given any consideration to top-slicing some of that—let us say by 0.7 per cent.—to facilitate such recovery in African and other developing nations?

I hope that the Minister can pick up on another point of great importance: capacity building in the African nations. Governance and the development of civic society have already been mentioned. I am sure that he will have heard, at least informally, from the right hon. Member for Leeds, West (John Battle), who has regaled

me with his view that what the countries of Africa need is more accountants. That is not the most obvious deficit that one would envisage, but in order to have good taxation policy and good financial control, good accountants are needed. Capacity building is about sending people not only to dig wells but to train others in the basic infrastructure of good governance.

Will the Government tackle the vulture funds? Many HIPCs—heavily indebted poor countries—find that their debt has been forgiven as a result of Gleneagles and other initiatives but that their inward investment is still blocked because of the action of vulture funds in buying up the debt that they have left behind at a discounted rate and pursuing that through the courts. I believe that the hon. Member for Northampton, North (Ms Keeble) has a ten-minute Bill on the issue, but it would be good to hear from the Minister that he is looking hard at it and will consider introducing legislation to tackle it.

Then there is the question of how the United Kingdom will exercise its influence through the European Union in relation to the extended World Trade Organisation dialogue and resolving the issues of the Doha round. A key point is empowering the African Governments to be able to punch their weight and exercise their power in that negotiation when it comes and as it goes on. Having raised that with the Department for International Development, I was disappointed to hear about the miserly allocation made towards empowering African Governments. We had one person seconded to Geneva to assist the developing nations in advancing their case at the WTO. I hope that the Minister will be able to give a picture of a more robust and wholehearted response.

It is widely acknowledged that Africa will miss the millennium development goals that have been set. It will therefore be necessary to redouble the support for tackling the health deficit in HIV and AIDS, for instance. In the past two years, the South African Government have finally acknowledged what the risks and solutions could be as regards that scourge in South Africa. With the incoming Government in the United States, we have seen a change of heart there which means that there will be a more robust response. I would welcome a reaffirmation from the Minister that, just at the moment when those two important influences on tackling vigorously the problem of AIDS in Africa are coming round in the right direction, he will not be deflected by voices calling for a retreat from doing so.

On malaria, my right hon. Friend the Member for Gordon (Malcolm Bruce) mentioned the value of nets—a very simple and practical solution. The need for sanitation and clean drinking water is clearly vital in many nations given the existence of other widespread diseases, particularly those which are water-borne. I want to hear the Minister say that he will not allow a focus on particular nations in Africa that face extraordinary problems divert him and the Government from continuing to support sanitation and drinking water programmes in some of the other African nations. We must not finish up with an aid programme that rewards the failures.

Several comments have been made about peacekeeping. I very much welcome what the Secretary of State said about the UK's intentions in that respect.

Mrs. Curtis-Thomas: The hon. Gentleman said that we must not reward failure. I am alarmed by that—what does he mean by it?

Andrew Stunell: I thank the hon. Lady; it is helpful to have the opportunity to explain what I mean. It is absolutely right that we should continue to give a high priority to emergency aid and to peacekeeping initiatives and operations, and I hope that I have already said so. However, I also want it to be recognised that in a country such as Ghana, the level of poverty, the shortage of clean drinking water and the shortage of sanitation are as acute as they are in some of the headline nations where aid is focused. Looking across the whole of Africa, it is absolutely right, if we want the millennium development goals to be reached, that we do not just pick up on the headline countries and forget those that are not on the radar of our newspaper front pages.

I want to turn to the peacekeeping initiatives and the matters mentioned by the Secretary of State in that regard. It is absolutely right that we should offer training and support, and that we should be paying our subscriptions and seeing that that money is put to good use in ensuring that peacekeeping forces are effective and fully staffed. He will know that those forces are undermanned and underperforming in the DRC and in Darfur. I am sure that he would want to say that other nations need to understand the importance of supporting such operations, but I would like to believe that the UK will extend the help and support that it is giving to those operations, ensuring that everything is done to make them effective. We can all think of plenty of places where further peacekeeping efforts might be needed and larger forces might be appropriate, but if we cannot even staff and make effective the ones that we have now, we will not have the opportunity to do any of these things in an imaginative way.

I want to hear that the Minister and the Government as a whole take arms control and arms sales seriously. I hope that they were as dismayed as I was to hear about the huge success of the IDEX arms export fair in Abu Dhabi, bearing in mind that that is where many of the arms used in the conflicts that we have discussed are bought. Some 5 million people have been killed in the great lakes region, and 1 million in Darfur—more people have been killed in Africa in the past decade than in the whole of world war two. It is essential that the Government put principle before profit and make sure that we are not putting highly explosive fuel on to any of those fires.

Mr. Chris Mullin (Sunderland, South) (Lab): I am not certain, but I think that the hon. Gentleman will find, if he checks, that most of the arms with which he rightly says Africa is awash come from eastern Europe and Ukraine.

Andrew Stunell: Yes, I fear that the hon. Gentleman is right. I hope that, among other things, the United Kingdom will operate through the international community to bring some international control to the wholesale and retail of such arms.

Over the past decade, the doctrine of the right to protect has been increasingly acknowledged internationally, and I hope that the Government will work harder to get that doctrine codified and accepted, alongside the regional powers in Africa—I mentioned South Africa, but Nigeria is an important player. Perhaps, as was recently implied by the report of the Select Committee on International Development, we need to work with China, although such work will require a good deal of care and a framework for such an approach.

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Africa is not a disaster, it is not a failure and it is not a lost cause, but it requires help and investment, good governance, healthy trade and well-targeted aid to provide for its many diverse communities and nations. I hope that the Government will play a strong, positive role in achieving that in the next decade.

6.2 pm

Mr. Chris Mullin (Sunderland, South) (Lab): I apologise for not being able to be present for the winding-up speeches; I have an engagement which I regret to say I cannot get out of.

I welcome what the Foreign Secretary said, especially about the need to build strong institutions in Africa. On the point made by the hon. Member for Mid-Norfolk (Mr. Simpson) about the tension that might exist between the Department for International Development and the Foreign and Commonwealth Office, I was a Minister in both Departments, and although there was a little bit of tension occasionally during my time, by and large we worked extremely well together and always pulled in the same direction. I doubt that that has changed all that much. When I was the Minister responsible for Africa at the Foreign Office, I enjoyed a good relationship with the then Secretary of State for International Development, my right hon. Friend the Member for Leeds, Central (Hilary Benn).

The hon. Member for Hazel Grove (Andrew Stunell) is right to remind us to bear in mind that Africa is not one country, but 50 countries, that it is an extremely diverse continent and that we should beware of generalisations, although there are certain issues common to many parts of the country, which he touched upon. When talking about Africa, there is a danger of giving the impression that we can sort out all of its problems. We cannot; it is a matter for Africans, by and large. We can help, but it is for Africans to take the lead and for us to help. We can help only those who want to be helped and who demonstrate by their actions that they care about the welfare of their people. We must, of course, avoid hectoring, lecturing and patronising, which only rubs Africans up the wrong way. Nevertheless, we should not appease the unappeasable or make excuses for behaviour by corrupt elites that would not be acceptable in any other part of the world. There is a balance to be struck. We do not always get it right, but we must try.

If I learned one thing during the two happy years in which I was Minister with responsibility for Africa at the Foreign Office, it was that there is no shortage of decent, capable African leaders who care about their continent and the condition of their fellow citizens. Some of the most respected public figures on the planet are Africans, such as Nelson Mandela, Kofi Annan and Desmond Tutu. Our task is to encourage the good and discourage the bad, but we cannot do the job for Africans: it is for them to take the lead.

Several speakers have touched on the issues already, and they can be simply set out. In the short term, as the Foreign Secretary and others have said, we need to do what we can to help the poorest countries—many of which are in Africa—to get through the current world economic crisis, which is likely to hit them much harder than many of us. We must ensure that that issue is considered at the forthcoming G20 summit.

Considerable progress has been made on debt relief over the years, on which we have probably gone almost as far as we can for the time being, because we can offer such relief only to countries that demonstrate that they will spend the proceeds on the welfare of their people. There is no point in providing debt relief, as we are sometimes urged to do, to countries where the proceeds are used to fund either civil wars or corruption. Nevertheless, considerable progress has been made in that area, and one of the biggest pieces of progress made in my time at the Foreign Office was the renegotiation of the vast Nigerian debt of $35 billion. There was some element of relief involved in that, but we expected a large amount of it to be paid as well. That was a major step forward, and we played a positive role in encouraging our allies to engage with the Nigerians, and in encouraging the Nigerians to engage with the creditor countries.

We have a role to play in conflict resolution. I am sorry to say that the great disasters people have referred to—in Darfur, with the depredations of the Lord's Resistance Army in northern Uganda and now, unfortunately, in the Central African Republic and the Congo—are matters on which I feel we could have done more, but for the fact that we became so heavily bogged down in the Iraq enterprise. Sadly, some of the people of Darfur, and perhaps those of northern Uganda, are collateral damage caused by the huge diversion of resources into the war in Iraq. We could have done a lot more, in my view. Rightly, we encouraged the African Union to take the lead, and provided it with capacity. We recognised at the outset, however, that it did not have the means to cope, and we asked it to do more than it was capable of. It could have done not just with logistical help, but with personnel from our armed forces in some capacity or other. They could have made a big impact on some of those peacekeeping missions.

John Bercow: I understand the significance of the hon. Gentleman's point, but in referring to what is taking place in Iraq and its diversionary impact, he used the past tense. Does he agree that it is not too late for us to repent and significantly upscale our actions in seeking the sort of alleviation that is still required in Darfur?

Mr. Mullin: It is too early to say that for sure. We have heavy commitments in Afghanistan—a different issue from that of Iraq and I do not seek to suggest that the two are the same—but I hope that eventually we will be able to play directly a more positive role in some of the major peacekeeping forces in Africa, particularly those in the Congo and Darfur. Perhaps too, if they want it, we may give the Ugandans help in dealing with the Lord's Resistance Army.

Mrs. Curtis-Thomas: Does my hon. Friend agree that the very fact of the UK's considerable commitments in Iraq and Afghanistan has induced, and required, many countries that had thus far remained outside peacekeeping forces to join those forces? Even though their countries may be committed to supporting Iraq and Afghanistan, they lacked the military capacity or experience to do so.

Mr. Mullin: Yes, that may be true. I do not want to go too far down that road; I made my point in passing.

To return to the generic issues, we all know that there has so far been very little progress on tariff reform. It is vital that industrialised countries sweep away the barriers to the import of goods from Africa and some of the subsidies in Europe and America that make African goods uncompetitive, particularly agricultural products. It is crazy that some of the most fertile countries in Africa are importing from heavily subsidised, first world farmers food that they could easily grow themselves.

HIV/AIDS and malaria, which the hon. Member for Hazel Grove was right to mention, are a vast problem, especially in southern Africa, but they are one of the matters on which considerable progress has been made. As I believe the Foreign Secretary said, 3 million Africans are now on antiretroviral drugs, and I am glad to say that the South African Government have given up their head-in-the-sand approach to AIDS, so progress is being made there. Large resources have been made available, especially by the United States, and there are tentative signs that the tide may be turning, although the Pope's recent remarks were not very helpful.

Non-governmental organisations and others always call for more development aid, but there are limits to what it can achieve. Properly regulated, the private sector is far more effective as a means of creating prosperity. Besides creating a safety net for the poorest, the primary role of the state is to create the conditions—above all, the rule of law—that make African economies attractive to outside investment. That is why, in recent years, British aid has rightly been concentrated on trying to provide the expertise that enables African countries to govern themselves effectively. I believe that that is called capacity building. For example, it has been mentioned that we are training African peacekeepers. In fact, we have helped to set up a military academy in Ghana. That is exactly what we should be doing.

We can help to establish, as the Crown agents have in Angola and Mozambique, an effective taxation system so that the state has available to it resources that can be invested in education and health. Once Governments have the ability to provide basic services for their own people, instead of just stopping things happening they can make things happen. Gradually they will win the respect of their people, who will begin to have faith in the democratic process.

As others have said, the one issue that dominates all others in Africa is governance. As long as corrupt elites with no concern for the welfare of their countries continue to pillage them, large parts of Africa will continue to go backwards and no amount of outside assistance will make the blindest bit of difference. I had the privilege of attending on behalf of the Government the inauguration of the wonderful woman who was elected President of Liberia. I have not been to Somalia, but Liberia is probably the most devastated country that I have ever visited. She said in her inauguration speech, "Liberia is not a poor country. Liberia is a rich county that has been grievously mismanaged." That is true of much of the rest of the continent.

The need for accountable government is the single greatest issue facing Africans. There are rays of light here and there, and Members have referred to them—Botswana, Ghana, Tanzania, even Nigeria on a good day—but Presidents who leave office voluntarily and Governments who accept defeat at the ballot box remain the exception rather than the rule. Africa desperately needs institutions that are stronger than the individuals who from time to time preside over them. There are still too many leaders who come to power uttering fine, democratic sentiments and introduce constitutions limiting incumbents to two terms of office, but who end up becoming Presidents for life and ruining their countries.

I was present at the African Union summit in Addis a few years ago when Kofi Annan addressed it. He had in front of him many of the big offenders, including General Eyadéma from Togo, President Bongo, Mr. Mugabe—they were all there. He looked them in the eye and said, "One of the tests of leadership is knowing when it's time to leave office." Then President Chissano of Mozambique got up. He was leaving office voluntarily, and he pointed at some of those guys and said, "And we all know who Kofi was talking about, don't we?" It was an electric moment.

China has been referred to only briefly in the debate, but we have to engage with it. We cannot let it become a neo-colonial power in Africa, seeing it simply as a means of finding raw materials as we did in years gone by. One thing that has undermined our efforts, especially in trying to encourage African countries to be transparent about their dealings with the extractive industries, is that just when we get to the point where the country—for example, Angola—is about to sign an agreement to be transparent, along comes China and offers a large, no-conditions, no-questions-asked loan. If that becomes the norm, it will undermine all the progress that has been achieved.

In Darfur, where I have to say the Chinese have occasionally played a positive role, we cannot allow them to buy all Sudan's oil and then take no interest in what the Sudanese Government do to their own people. The only way around that is to engage with China. It is going to be a world power, which we welcome, but with that comes responsibility. I think that the Chinese are beginning to recognise that. Their Africa Minister was here a while ago and was saying some of the right things.

Mr. John Horam (Orpington) (Con): Will the hon. Gentleman give way on that point?

Mr. Mullin: Forgive me, I will not; I am running out of time.

Finally, I wish to make one tentative point. The failed state will be one of the great challenges of the 21st century. To be honest, in some states the scale of the failure will be too great for us to be able to do much about it. However, there are countries that no amount of one-off intervention can rescue. We may have to cast aside our liberal instincts and go for something more drastic one day—rule by UN mandate, perhaps for a generation, subject of course to referendums of the local people at regular intervals to check that that is what they want. I stayed with the American ambassador in Liberia—Ambassador Blaney, a very brave man who saved Liberia from the ultimate catastrophe—and that was his view. Liberia was then on its fourth outside intervention. It now has breathing space and a wonderful woman President who must be given all the help that she needs, but if there were a fifth or sixth failure, there would come a point at which we would have to say, "We cannot carry on like this." If Sierra Leone were to go under again, we would have to cast aside our liberal

[Mr. Mullin]

instincts, which are all in the opposite direction, and recognise that something different had to be tried if we were to make a difference. It is not a one-size-fits-all solution, and it will not solve vast problems such as those in the Congo or even Somalia, but for some of the smaller African states and perhaps one or two elsewhere—I believe that it happened in East Timor for a while—it will have to be contemplated.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. Since the time limit was imposed on this debate, the number of people seeking to catch my eye has reduced, for a number of reasons. I therefore plan to raise the limit again to 17 minutes.

6.17 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): It is a privilege to follow the hon. Member for Sunderland, South (Mr. Mullin), who is a distinguished former Africa Minister. His stature in Africa raised him considerably above the foothills, if I may give his book a plug. He, the hon. Member for Hazel Grove (Andrew Stunell) and the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) all expressed the concern, which I share, that Governments may resile from or let slip their commitments on aid or debt relief. He and others emphasised the importance of peacekeeping and help on that front. However, I wish to focus exclusively on the importance of trade for Africa.

Trade has been the route taken by the most successful developing countries in moving from poverty to prosperity. Korea and China in Asia and Brazil in Latin America, have shown that it is possible to trade out of poverty. That will ultimately be the route that Africa will have to follow. However, it is harder for the late starters to do that, because they have to compete with those ahead of them, who have already accumulated a critical industrial mass and the economies of agglomeration that go with it, yet still have low incomes and pay rates to compete with. Moreover, the poorest countries, the majority of which are in Africa, are poor because they typically face the greatest natural obstacles—lack of natural ports and navigable rivers, and a shortage of roads, railways and so on to get to market. It is therefore intolerable that we in the rich world add to those problems by retaining tariffs, quotas, subsidies and rules, which make it even more difficult for them to export their goods, enter our markets and trade out of poverty.

That is why, last week, four distinguished Members of Parliament—the right hon. Member for Birmingham, Ladywood (Clare Short), a former Secretary of State for International Development; the right hon. and learned Member for North-East Fife (Sir Menzies Campbell), a long-standing spokesman and former leader of the Liberal Democrat party; the right hon. Member for Leeds, West (John Battle), a former trade and Foreign Office Minister; and Lord Hastings of Scarisbrick, the recipient of a UNICEF award for his contribution to solutions for Africa's children, as well as my humble self, a one-time development economist and subsequently trade Minister—launched a campaign to help the poorest countries, mostly in Africa, to trade out of poverty. Trade Out of Poverty is the name of the campaign and the all-party group, which we formed—I urge hon. Members to support it. We may be unlikely bedfellows, but we are united in a common commitment to bring to trade the same passion to mobilise public support as Make Poverty History brought to aid and Drop the Debt brought to debt relief.

We began by writing to the leaders of the G20, asking them to put Trade Out of Poverty on the agenda and to urge their countries, severally or collectively, unconditionally to open their markets to all the poorest countries, simplify their trade rules, end subsidies that hit the exports and trade of the poorest countries, help poor countries replace the high tariffs that they impose on each other with other sources of revenue, and invest in the physical and organisational infrastructure that those countries need if they are to take advantage of the opportunities that opening up our markets will give them.

It might seem quixotic to choose this conjuncture, when the developed world is suffering genuine pain, and the recession and the credit crunch have meant a revival of protectionism. Indeed, the World Trade Organisation has joined the World Bank in pointing out that countries have already begun surreptitiously to introduce protectionist measures. No fewer than 17 of the G20 countries have, since the last meeting of the G20, at which they unanimously endorsed a commitment to withstand the pressures of protectionism, introduced measures designed to undermine trade and protect their domestic markets. However, we know that in the 1930s, protection, far from helping countries recover, prolonged and deepened the slump. The poorest countries, then as always, suffered most from that prolonged recession. It is therefore even more important that we in the rich countries turn the tide against protectionism by opening our markets more liberally to the poorest countries of the world, especially the countries of Africa.

Malcolm Bruce: The right hon. Gentleman is making a powerful and legitimate point, which I support. Does he also acknowledge that, in Africa, the internal barriers to trade also cause massive depression and that, in many cases, unlocking them would make those countries better able to trade, especially with the sort of support that his group offers?

Mr. Lilley: That is one of the five points that we advocate and that I shall outline shortly.

We believe that we can take steps at little or no cost to us. The poorest countries have one fifth of the population of the world, but account for only a fiftieth of its trade. By no stretch of the imagination are their industries a threat to ours. On the contrary, they want and need to buy more of our goods. The only thing that restricts the amount of goods that they can buy from us is their ability to pay for them by exporting to us. It is a win-win situation if we open our markets to them.

We have spelled out five steps that the rich countries can and must take to help the poorest countries in Africa trade out of poverty. First, rich countries must unconditionally open their markets to all low-income countries. We do not need to require them to reciprocate. The poor countries are understandably reluctant to open their fragile industries to the full blast of competition

from the developed world. They say that most rich countries used infant industry protection when they were developing, and so ask why they should not do likewise. Plenty of economists—I am normally among their number—dispute that case and argue that it is in the interests of poor countries to liberalise their markets. That is as may be, but we should not make the best the enemy of the good by saying that, because it is in their interests to open their markets, we will not open ours to them. If we want to persuade them to be more liberal in their trading policies, we should first set an example by opening our markets to them.

Of course, the European Union, like many developed countries, already offers unconditional free access to some countries. Under the Everything but Arms agreement, we allow tariff-free, quota-free access, but only to a list of the smallest and most vulnerable countries. In Africa, the agreement excludes most of the more populous countries, such as Nigeria, Côte d'Ivoire, Ghana and Kenya. We should offer them, too, free access to our markets. Even when we have, in theory, opened our markets for specific goods by abolishing tariffs, complex and onerous rules of origin have rendered it largely ineffective.

Sir Nicholas Winterton (Macclesfield) (Con): How does the policy of the European Union influence our opportunity to take goods, especially food, from those countries?

Mr. Lilley: We collectively make decisions on trade in Europe—that may or may not be a good thing; it is not what I am arguing. If we want to liberalise access to the British market, we must persuade the EU to liberalise access collectively to the European market. I believe that there is a consensus on that, as reflected by the cross-party composition of Trade Out of Poverty, and I hope that Conservative and Labour Front Benchers will support that consensus and a move in the direction that I am outlining.

Secondly, we should simplify and make more generous the rules of origin and other trade rules that we operate. Trade increasingly involves chains of production, with a series of processes and components from a variety of countries. It is vital that African countries are enabled to participate in those chains of production. For example, America, through the African Growth and Opportunity Act, liberalised its rules of origin, which resulted in a marked increase in exports of clothing from Africa to America. Rules of origin matter.

Thirdly, we must end subsidies that damage trade and inhibit exports from the poorest countries to ours. My hon. Friend the Member for Buckingham (John Bercow) mentioned the $3 billion or more subsidies that the Americans offer to maintain only 25,000 cotton manufacturing jobs—that is more than $120,000 a job. It would be easier to give those people—not all of them, only those whose product has to be dumped abroad—a stipend for a while and let them move into other activities. That dumping destroys millions of jobs and undermines millions of people's income, especially in west Africa.

John Bercow: I heartily endorse the point that my right hon. Friend has just made. I probably was being slightly impatient earlier. I am a keen supporter of President Obama, but it does no harm to underline the urgency of the matter. In making the suggestion for the withdrawal of export subsidies that he has just made, will my right hon. Friend confirm that that, too, should be unconditional?

Mr. Lilley: I am sure that President Obama is as relieved as I am to know that he has my hon. Friend's support. Those subsidies should of course just go. Their removal is ultimately in the interests of taxpayers in the rich countries and would enable us both to enjoy products better produced abroad and to focus on those things that we are best at producing.

On average, the EU spends almost as much supporting every cow every day as the average income in the poor countries of the low-income group, as defined by the World Bank. That in turn inhibits those countries' ability to compete with us. It is deplorable that the EU should have reintroduced subsidies for, say, milk powder. Milk powder is an important product that is potentially made and consumed in the developing world, but we are undermining that potential through those subsidies.

The fourth step recognises the point that the right hon. Member for Gordon (Malcolm Bruce) made about the phenomenon whereby the highest tariffs that most African countries face are those that are imposed on them by their equally poor neighbours, and which they likewise impose on those neighbours. One of the reasons why African countries impose those tariffs is that doing so is one of the simplest means of obtaining the revenue to finance their activities. It behoves us in the developed world to help those countries to replace those sources of income with other sources of domestic revenue, so that they can trade more actively with each other. It is significant that 75 per cent. of the exports of European countries go to other European countries, whereas only 10 per cent. of the exports of African countries go to other African countries. The potential for trade growth within Africa is enormous if we can help countries to take that step.

The fifth and final step that we advocate is to focus investment on both physical and administrative infrastructure. In the successful countries of Asia, a high proportion of the population live near the coast, near roads or near navigable rivers. In Africa, the population is highly dispersed and often distant from any means of transport. Without improved transport infrastructure, people will not be able to get their products on to world travel routes and world markets. At present it costs less to get goods from Tokyo to Mombasa than to get them from Mombasa to Kampala. Through our efforts we must help African countries to improve their infrastructure. It is sad that in recent years the proportion of aid that has gone on infrastructure has been declining. We believe that it should be increasing; indeed, something that the Foreign Secretary said in his opening remarks leads me to believe that the Government are also of that view.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): My right hon. Friend mentioned the European Union's Everything but Arms treaty. He will be aware that the European Union has gone to considerable trouble to negotiate economic partnership agreements with various African groups. The quid pro quo from the European Union in opening up those markets will be aid in return for the damage that will be suffered, much of which could go towards the infrastructure that he mentioned.

[Mr. Geoffrey Clifton-Brown]

Does he not agree that such agreements must not be pushed too quickly, so that those countries can adapt to the changes that they are being asked to make?

Mr. Lilley: Had the proposals that we have been advocating been introduced, it would not be necessary to move away from the Cotonou agreement, which was unconditional, but which was also ruled to be inappropriate by the World Trade Organisation because it was with a selected bunch of friendly countries, rather than with an objective category of countries. Under WTO rules, it is possible to offer preferences only if they are offered to an objective category of countries. If the EU and others agree to offer preferences to all low-income countries, they will not have to require reciprocity or negotiate economic partnership agreements and they will still be able to do what my hon. Friend suggests with any aid received.

The reason why what we advocate is now possible is that previously the category of low-income countries included India. In real politics, there was no way that we were ever going to persuade Europe, America or Japan unilaterally to open their markets to a category of countries that included India, which, although poor, was seen as a major industrial power and a threat. India has happily moved into the ranks of middle-income countries. It is now conceivable—and I believe realistic—for us to open our markets unconditionally to the remaining poor countries of the world. That is what we advocate and why we advocate it now.

What is more, what we are proposing can be done immediately. It would not require us to wait for the Doha agreement, desirable though that would be. The Doha agreement is fundamentally an agreement between the middle-income countries and the rich countries and has little or nothing to offer the poorest countries. What we are advocating can be introduced immediately by the EU, the USA or others acting alone, without waiting for the slowest ship in the convoy. That is what we should do; it is also what I hope we will do.

If we do that, the potential for Africa will be significant. We should not be too pessimistic about Africa. Different continents may have different colours of skin, but we all have the same number of grey cells and the same desire to improve the lot of our families and ourselves. We all have the same capacity for enterprise. I have no doubt that, given the opportunity and access to markets, the African countries, where I have worked and travelled in my previous careers, will in due course march on the road out of poverty via trade as we advocate.

6.37 pm

Mrs. Claire Curtis-Thomas (Crosby) (Lab): Although it would be good to talk about Africa as a whole, I will limit my remarks to a country that I know well, which is Sierra Leone. I have probably been to Sierra Leone at least 12 times in the past four years and I think that I know it reasonably well. I want to talk about the Government's performance in relation to Sierra Leone, to share some of my concerns about how development funding is being delivered and to offer some suggestions about how it might be improved.

I would like first to bring the House up to speed on where Sierra Leone is with respect to public service agreement 29, which relates to the eight millennium development goals. There are insufficient data in Sierra Leone for us to make any judgments about where we stand on the first goal of eradicating extreme poverty and hunger. We have achieved the agreed target on the second millennium development goal, which is to achieve universal primary education, both in terms of primary education and net enrolment in primary education. I will talk about that a little later, because in that case the statistics are extremely deceptive.

The third millennium development goal is to promote gender equality and the empowerment of women. We are seriously off track in that respect, although we look as though we are on track in terms of the ratio of girls to boys in primary education. The fourth millennium development goal is the reduction of child mortality and the under-five mortality rate. We are seriously off track on that and have made no progress. The fifth millennium development goal is to improve maternal health and the maternal mortality ratio. Once again, we are seriously off track. Indeed, Sierra Leone is still at the bottom of the world index of child and maternal mortality.

We have made progress in combating HIV/AIDS, and we have made progress on combating the prevalence of HIV among 15 to 49-year-olds—half the population of Sierra Leone is in that age range—but we will still not achieve that sixth millennium development goal. Finally, we have not delivered the seventh goal of ensuring environmental stability, and we will not do so. We have also failed to increase the proportion of the population with sustainable access to an improved source of water.

I shall provide further illustration of my narrative by giving the House some statistics. The amount of expenditure that has been given to Sierra Leone has now risen to £50 million. To put that into context, we are the biggest aid donors in Sierra Leone. It has a population of 6 million people, and we give it £50 million. Its gross domestic product is $347 million, which probably equates to about £280 million. Of the £50 million, the amount that we have given to the Sierra Leone Government in hard cash is about £13.2 million. The remaining £37 million is made up of technical assistance, humanitarian assistance, debt relief and other DFID bilateral aid from other official UK sources.

This brings me to the imputed share of the UK's donation. I have come to know the term "imputed share" very well. It is important to me, and I have asked a series of parliamentary questions to find out what our money has been spent on. I am sure that we would all like to know that. Some of the hon. fellows who have sat on the Front Bench this afternoon—although not the hon. fellow who is there now—have been the recipients of my many written parliamentary questions on this subject. Indeed, I tend to ask rather long, detailed parliamentary questions—

John Bercow: Excellent!

Mrs. Curtis-Thomas: It is excellent, as the hon. Gentleman says. Unfortunately, the answers to my questions are somewhat more brief than the questions, which is not the desired result. However, there was one deviation from the norm, but it simply allowed me to discover that there were not many answers to be had. It was actually an exercise in obfuscation. I wanted to know how much money was involved, who got it, how and

where they spent it, and how we knew that it had been spent well. Those are the questions that interest me. The answer was, "We would like to tell you, but we give the money to a number of agencies, and they do not collect that data on our behalf." That is where the marvellous term "imputed share" comes in.

I had some excellent answers that told me that, of the £493 million that the UK Government gave to the International Development Association—that is, the World Bank—the imputed share for education was £27 million. Great! Very good! The African Development Fund got £147 million, of which £12.9 million ended up in education. Some hon. Members will be pleased to hear that we gave the European Commission £1.123 billion, of which the imputed share for education was £9.4 million. Finally, the UK gave the United Nations Children's Fund £19 million, of which the imputed share that went on education was £0.6 million. So, vast amounts of money are being given, but there is not an awful lot of it that we can track.

That presents me with problems. Among the 6 million people in Sierra Leone—a country pretty indicative of the five poorest countries in the world—illiteracy is a massive problem. I might appear to be going off at a tangent from the main thrust of my presentation today, but I believe that illiteracy and endemic unemployment lie at the heart of our not being able to deliver the millennium development goals.

I want to take a closer look at the primary target on which we have been able to achieve some sort of progress—namely, education. I believe that that millennium development goal was seriously flawed, and that the slavish way in which we have followed it has led to a diminution of possibilities for people in Africa. I shall explain why. We have said that we want to see more children going to primary school, but the statistics that I have just given the House show that we are not putting a huge amount into education. Nevertheless, the terribly poor countries in Africa feel that it is necessary to respond to that millennium development goal. So how are they achieving it?

Let us have a look at Sierra Leone where there is not sufficient money to build new schools. In some African countries, we have provided money specifically for that purpose, and we have seen the schools being built, but in Sierra Leone there is no money for that. There is no public sector Government budget at all; the Government cannot afford to finance any capital build. The way in which these very poor countries have sought to appease the west's agenda on education is to put more and more children into already stuffed classrooms. When I visited Sierra Leone two years ago, I typically saw 80 children in a class, and, even though education is notionally free in some countries, the students actually have to pay between £11 and £16 a year for the privilege of going to school. However, only the children with a uniform, shoes, books, bags and pencils can go to school, which creates a barrier that precludes others from going.

More children are going to school now, but the number of children in each class has risen from 80 to 100. Let us consider the quality of education that they are getting. The millennium development goal is about getting more children into school, but 70 per cent. of the teachers in Sierra Leone are unqualified. They can read, but they take their teaching test using a standard book. Only 30 per cent. of the teachers are qualified, and, at the same time, we have seen an expansion of the number of children per class. Are those classes producing better qualified pupils? I suggest not, and the statistics say not. Only 7 per cent. of children in Sierra Leone passed their GCSE in English last year, but they need to be able to read if they are to go on into further education. That is what the country needs, but it lost that capability during the war. During that terrible strife, the nation lost the technical capacity to deliver, but if its children cannot read, it will not be able to regain that capacity. The 70 per cent. of teachers who are untrained are now being trained, but they are expected to deliver more education to bigger classes.

As a consequence, a big private sector in education is emerging. In Sierra Leone, where many people earn less than a dollar a day, the people who earn a dollar are much richer than those earning half a dollar. They see their children going off to school and they wonder what kind of education they are receiving. They say to themselves, "For a few extra leones a week, I could get access to a private school." In countries where we are not investing a substantial amount of money in teacher education—alongside the development of physical capacity in the shape of buildings and more qualified teachers—the education millennium development goal is generating a second, private sector market. What does that mean for the children left in the other schools? They will get a poorer education.

We in this place might feel great because more children are going to school, but that is not an end in itself. More correctly, we should be looking for quality education. If that meant that only 60 per cent. of the children in Sierra Leone went to school, but that they got a better education, I would be up for that. We have to consider what happens to those children afterwards.

I have talked today about a lot of money being invested in Sierra Leone, but what do we get for our buck? What do the people of Sierra Leone get for that money? We get an awful lot of consultants and aid agencies that make a lot of money, but we do not require any of the agencies acting on our behalf to train any organisations. Let us think about some of the major infrastructure projects in Sierra Leone. The EU has provided a significant amount of funding to build a new road, but there is no competent highway engineering group there because there is no public money to build highways.

The right hon. Member for Hitchin and Harpenden (Mr. Lilley) talked about the need for trade, but sustainable transport is necessary for that to happen. It is all very well talking about that, but there needs to be an indigenous engineering capacity to provide such transport. I looked at the EU contract and saw that it was left to a European company to deliver the project, which is rather like what happens with some Chinese investments. At no point was there a requirement for that organisation to train anybody in Sierra Leone. It came to the country, learned from doing the job, got the money paid by the EU, but what was the benefit of that contract to the nation?

If public sector money is being invested, I expect my money to pay for training in the relevant country. My colleagues know that I am an engineer and when I went to the universities in Sierra Leone, I talked to the engineers and asked them what work-based experience they had gained as a result of the investment in the country. The answer was none. We, this Government,

[Mrs. Curtis-Thomas]

have built police stations and new courts in Sierra Leone, but only two companies in Sierra Leone—I know this, as I have technically audited all of them—are fit to build anything to the standard of international regulations. If those building structures were done well, it would reassure investors that the country has the capacity to build well, because what investor will invest in the country if they cannot see good build?

My questions to the construction companies are these: what training have they provided for local people and what hook-ups do they have with colleges of further education or higher education? Often, there are no such links. We are waking up, are we not, to the fact that the public sector in this country receives a huge amount of money, and we are now requiring it to look towards supporting apprenticeships—which is absolutely right and proper—and other forms of training. One sort of investment is therefore used to deliver another investment.

Too many apprenticeships in this country are not completed, simply because there is no work-based experience. In countries like Sierra Leone, it is absolutely imperative to drive job creation and technical capacity so that we do not go on creating activities artificially. We should say, "We are doing a job; you require that job, but we will offer training and link up with your FE and HE". When we pull out of such countries—and we want to pull out—we should not leave them with a given road, but no local highway engineers to maintain the facility. For me, those days have gone. We have got to achieve much more with our money.

If we are going to build new schools and a new contract is drawn up to do so, it should say how many young people are going to be taken on from FE colleges. When we go to the Government departments in countries such as Sierra Leone, as I have, we find very clever Ministers leading—they are first-class people—but when we ask who will deliver the plans, we see where the problem lies, because there is insufficient technical capacity in the country. That is lacking because those countries have not had the opportunity to put into practice what their people have been taught.

Why would anybody go into engineering or health care in those countries? Why should they go to university to study those subjects when they know that there will be no jobs for them? I must tell the Minister that I really want to know how to get much closer to our investments in those countries. I want to know how we can make more from the money spent, make better use of our investment, and how we can deliver better results for the people of those countries. People do not want to have things done to them; they want a stake in their own futures and in the development of their own facilities. I just do not see that happening now, so I would like the Government to think more creatively about how we could achieve that.

6.54 pm

Sir Nicholas Winterton (Macclesfield) (Con): I am very pleased to follow the hon. Member for Crosby (Mrs. Curtis-Thomas), who has delivered a very powerful message from her professional experience. Interestingly, what she said linked in well with the thoughtful speech of my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley). Although I have been to both South Africa and Namibia in recent months, my comments are going to be focused exclusively on Zimbabwe.

Like very many people in this country, I feel a very strong bond of affection for the country of Zimbabwe and its people, and I have spoken of them in this place for nearly 38 years—from the time I first entered the House. I also speak with some degree of hope that a corner may have been turned. Zimbabwe has been through some very dark days and there is still huge suffering as a result of hunger, cholera and other widespread health emergencies. However, there are encouraging reports that the courageous Prime Minister Morgan Tsvangirai and his highly able finance Minister Tendai Biti are bringing some order and some sense where, for too many years, the country has been at the mercy of a regime bent on plunder and pursuing wantonly destructive policies in the selfish pursuit of power and privilege.

Even Matthew Parris wrote in *The Times* quite recently that he had

"never quite been able—even at the lowest points of Robert Mugabe's despotism—to dispel a good feeling about the future. Hopes and anxieties for South Africa, a country whose memories and internal fractures run deep, dark and bitter, may flicker; but Zimbabwe is different."

Having said that, I do not think that we should overestimate the progress made, although it is perhaps worth highlighting one or two of the interesting experiences of people in Harare.

I am advised that a refuse disposal vehicle was spotted in Harare, with

"Men in orange Harare city council overalls, shovelling into it heaps of fly-blown, stinking, rat-infested refuse that had been accumulating for about five years."

Not far away were a

"dozen men and women in reflective yellow vests with machetes, hacking down the 3m elephant grass on the road verge. And lo, nearby, were four shiny new tractors with mowers, turning a suburban eyesore of rank, mosquito-laden weed into parkland."

Although there had been

"only rare glimpses of the Harare council maintenance department since 2000…Zimbabwe's power-sharing marriage"—

which is now, I think, just about six weeks old—

"to everyone's surprise…has made an electrifying difference. Suddenly, up there and running the Government, alongside the malevolent and apparently indestructible"

Robert Mugabe, is that great man, Papa Morgan—Morgan Tsvangirai, the Prime Minister, and somebody whom I describe as the champion of the people. What was one of his first moves? It was

"simply to dump Robert Mugabe's joke currency and allow US dollars and other convertible currencies to circulate freely. Immediately it unjammed a multitude of cogs in the nation's stricken engine. The infusion of just a little real money has enabled the Harare city council to make a modest start on the worst of the decay left by the shameless Mugabe, his ministers and officials."

As I have said, we do not want to be over-optimistic at this stage, because Mr. Tsvangirai is dealing with a most unpleasant individual in Robert Mugabe, who seems oblivious to the suffering of the people of Zimbabwe who have AIDS and cholera, and are suffering from starvation. It is, in fact, a tapestry of unbelievable suffering. Is it possible that this whole decline is a deliberate programme of extermination? Do we recall

the words of Didymus Mutasa when he was ZANU-PF's administrative secretary and the party's senior bureaucrat way back in 2002? He said that he

"would not mind if Zimbabwe lost half of its 12 million people because of the collapse of agricultural production",

going on to say:

"We would be better off with only 6 million people".

The right hon. Member for Birmingham, Ladywood (Clare Short), the British International Development Minister at that time, was right to say:

"To welcome the death of nearly half the people in a country is... unforgivable—no one should forgive him." —[*Official Report*, 11 December 2002; Vol. 396, c. 244.]

Amanda Hammar, a leading Danish academic, commented:

"Mutasa's infamously stated desire to discard surplus populations has resonance with historic precedents such as National Socialism in Germany and its translation into routinised governmental annihilation."

Many well-informed observers of the region believe that the architecture of the inclusive Government was, in fact, never designed to deliver real reform. Sydney Masamvu of the International Crisis Group, who has already been quoted in the debate, has said that:

"the grand plan of Mbeki was to legitimise Mugabe and sanitise him in the eyes of the international community."

That may explain why SADC—the Southern African Development Community—and the African Union have been so forthright in calling for the lifting of the European Union travel restrictions on certain named individuals, yet so reluctant to censure Robert Mugabe and ZANU-PF hardliners for blatantly undermining both the spirit and the letter of the global political agreement.

The efforts to undermine the stability and progress of the new Government are very evident. They operate through a parallel power structure controlled by the joint operations command. That junta, comprising the chiefs of the army, air force, police, prisons and intelligence, still refuses to accept the new political order, and is manoeuvring to maintain its grip on power. Ever since the swearing in of the new Government, elements loyal to the JOC have continued to use abduction, beatings, arrest and detention as a means of intimidation and control, along with, of course, the continuing invasion of white farms. There are too many in southern Africa—not only the unreformed ZANU-PF hardliners, but the fervent ideologues of the region—who seem incapable of moving on from the anti-colonial rhetoric of their glory days to a politics that deals with the needs and aspirations of the people today in their country.

With the hon. Member for Vauxhall (Kate Hoey), I recently had the privilege of meeting Thabitha Khumalo, MDC Member of Parliament for Bulawayo East. Morgan Tsvangirai has appointed her to a vital role as a member of the joint monitoring and implementation committee, the body set up under the global political agreement to oversee the monitoring and implementation of that agreement, which is the foundation on which the new and fragile political framework in Zimbabwe was built.

To those who listened to Thabitha Khumalo's accounts of life in Zimbabwe—of the continuing petty interferences, and the far more worrying abductions and detentions of those engaged in the political life of the country—it was apparent that JOMIC had a critical role to play. Its role is defined as being—I quote precisely—

"to ensure the implementation, in letter and spirit, of the Global Political Agreement, to act as a conduit for complaints and to promote an atmosphere of mutual trust and understanding between the parties,".

JOMIC is supposed to be guaranteed by both SADC and the AU. However, as Thabitha told us at the meeting at which we saw her, it is barely able to function because of its lack of funds. It is difficult for members to attend meetings, because not even their travel expenses can be covered. It should be an absolute priority for South Africa and other SADC nations to ensure that that vital committee is properly resourced.

The memorandum of understanding between political parties in Zimbabwe says that implementation of the global political agreement—again, I quote precisely, in order not to mislead the House—

"shall be underwritten and guaranteed by the SADC Facilitator, SADC and the AU".

I personally interpret "underwritten" as implying a certain financial responsibility. It certainly ill behoves the SADC nations to call so stridently and vehemently for the United Kingdom and other donor nations to provide financial backing for Zimbabwe when their response to the continuing breaches by ZANU-PF Ministers and Mugabe loyalists is either non-existent or so muted that it is as good as silent. Given the responsibilities that SADC took upon itself and into which it freely entered, I fear that silence in such circumstances amounts to complicity.

We must remain firm and resolute that financial support, other than the essential humanitarian support that we have always provided, will not be released until there is clear evidence of respect for the rule of law in Zimbabwe. For as long as the old guard, as I describe them, continue to have their fingers on the levers of power—and their fingers in the till—we would be foolhardy in the extreme to advance financial assistance through the Reserve Bank of Zimbabwe. Furthermore, it would do little if anything to advance the prosperity or security of the ordinary people of Zimbabwe, about whom we in the House are most concerned.

A clear and immediate threat, which I have already mentioned, is the renewed wave of farm invasions. It has shown utter disregard for the rule of law and contempt for both investment and production, both of which—as many Members have pointed out today—are central to development and security. If donors and commercial investors are to be attracted back to Zimbabwe to rebuild the shattered economy, to provide more jobs and income, to produce goods and to grow food, the upsurge in violence against commercial farmers must be halted.

Zimbabwe continues to be a test case for the institutions of Africa, for the Southern African Development Community and for the African Union. The accepted wisdom over recent years has been that Zimbabwe is an African crisis needing an African solution. The basis, agreed at Gleneagles, on which African leaders have been invited to attend recent G8 meetings is that in return for increased aid, Africa as a whole—but particularly the countries neighbouring Zimbabwe—will take responsibility for human rights and good governance. I do not know what we are to make of the recent comment by South Africa's interim President Motlanthe, who said, speaking in Zimbabwe:

"I think the notion that Africa has a collective responsibility for what happens in African countries is a misguided one."

[Sir Nicholas Winterton]

I find that very difficult to understand.

I hope that African leaders as a whole will be challenged by the United Kingdom Government, not least at the G20, which will take place a few yards from here later this week, because they need to be challenged over their apparent attitude. The welfare and development of millions of people are at stake. The attitudes of Africa's leaders to their international obligations are important considerations in our debate on Africa as a whole. That surely goes to the heart of respect for the rule of law and respect for the treaty obligations which commit African nations—just as much as they commit nations elsewhere in the world—to upholding the freedoms, rights and dignity of individuals. We must make it clear to Africa that we are watching.

Let me express, from this House, my sympathy to Morgan Tsvangirai for the loss of his wife Susan. She was a wonderful person, and gave him great support. He has borne that tragic loss with huge courage and dignity. I hate to say it, but perhaps he has benefited from that great loss. The people of Zimbabwe—I referred to this earlier in my speech—describe him as "Papa Morgan". I say to the House that Morgan Tsvangirai, the champion of the people and the current Prime Minister of the Government of Zimbabwe, deserves all the support that we can give him, and I hope that the world will rally around a man who can restore the peace, stability and security of Zimbabwe.

7.9 pm

Mr. Bruce George (Walsall, South) (Lab): Few Members can match the eloquence displayed by the hon. Member for Macclesfield (Sir Nicholas Winterton) in his speech. We are aware of the issues to do with Zimbabwe, and the hon. Gentleman has spoken about them with great courage. Depressingly however, while he was making his speech I was looking at the Economist Intelligence Unit league table of democratic countries in the world—which uses a sophisticated methodology—and I have counted that 10 countries in Africa are even less democratic than Zimbabwe. If we have only one debate every 15 years, the hon. Gentleman will be 100 before he has addressed all the other countries. I hope that there will be considerable progress before that happens, however.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): I have been listening closely to the debate while outside the House. Does my right hon. Friend not agree that there is a concern in concentrating so much on those states in Africa that are underperforming? Should we not think also about praising those that are doing a great job and making great changes of which we should be proud? Should we in this House not articulate the view that where there is progress and real democracy, that should be applauded?

Mr. George: I was going to make that point. However, although there is a superficial attraction, including in financial terms, to my hon. Friend's argument, if we were to do what he wishes, we would wash our hands of Zimbabwe, which I would not want.

I welcome this debate, and my contribution will focus on democratisation, human rights, good governance, elections and election observation. Some might think that that will make for a remarkably short speech, but there are times when I am encouraged, such as every time I think of Ghana. I also used to be encouraged every time I thought of Kenya, but I am less so now. It is important to point out that the results of democratisation in Africa have so far been, at best, mixed, but we should also acknowledge that research has shown that about half the countries in the world have some sort of democratic system, so perhaps we should seek to build on that.

I do not seek to be deferential towards Her Majesty's Government, but what the Foreign and Commonwealth Office, the Department for International Development and the Government as a whole have done has been significant and largely very beneficial. I would also like to be able to say with greater conviction that this House has played a significant role in the process of democratisation on the African continent. The speeches we have heard today have displayed a great deal of experience, and much of that has emanated from an initial visit to a country that a Member might be supporting, organised by the Commonwealth Parliamentary Association. The impact on Africa over so many years of Members of Parliament having their continuing interest in the continent stimulated is important, because when Members visit a country they often come back and join or found an all-party group, and therefore there is a strong body of opinion in support of assisting Africa.

Africa is very important to us. That is not because many of us have a feeling of guilt, even though we were not responsible for the history of colonisation. That was in many cases pretty rotten, and although we were not the worst colonisers by any stretch of the imagination, there is much that we need to feel rather guilty about. Africa is important because it is right that we assist the continent, in conjunction with other countries that have gone through the process of democratisation. We want to give African countries the support that will help them make the journey from authoritarianism up the scale—just as the football structures of this country go higher and higher, up to the highest level. Much has been done, but much remains to be done.

Although we should talk about evil leaders in Africa, as we have done—we have just heard about one of the worst, although apparently there are 10 who are even worse than Mugabe, hard though that is to believe—we must also speak with a degree of humility. It is only within living memory—more within the living memory of those in the other place than Members of the House of Commons, although with some exceptions—that the European continent produced dictators to make some of the dictators in Africa seem almost benign: Stalin, Hitler, Mussolini, Franco, Salazar, the Greek colonels and most of the Governments of east and central Europe before and after the war. A degree of humility is therefore in order, as is a recognition that many countries and parts of the world go through an appalling process, after which it is to be hoped that they emerge at the other end as a more transparent, decent and humane society.

I was recently rereading a book that I read as a student—which was rather a long time ago—by a famous British diplomat, Margery Perham. She wrote in the "Colonial Reckoning" of 1961:

"New Africans at once appropriated to themselves the civil liberties which Englishmen had slowly wrestled from the monarchy, and turned them against the re embodiment of royal autocracy

represented by their governor. They enriched their great natural powers of oratory by demanding in sonorous English the rights of herbeas-coupus, the liberty of the press and any other 'palladium of British liberty' appropriate to the moment. They quoted the Bible, Blackstone, Burke and Shakespeare. They were turning against Britain her own political and judicial weapons."

That is very apt. Unfortunately, however, after some countries turfed the British out and lowered the Union flag, what went up was less the embodiment of the best of British, than the worst of the Soviet Union. A number of countries, including Ghana, went through that phase.

With the third wave of democratisation, which began not in eastern Europe but 15 years earlier on other continents, including Africa, where the process was accelerated, we saw the flowering of a number of democracies, which we must welcome.

Mrs. Curtis-Thomas: Will my right hon. Friend give way?

Mr. George: I am sorry, but I shall not give way, as my hon. Friend has intervened on at least six occasions as well as making her speech, and I have only 10 minutes, 39 seconds left for my contribution.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Only 10 minutes!

Mr. George: Yes, only 10 minutes. There has been Celtic solidarity. I shall give way, however.

Mrs. Curtis-Thomas: I am very grateful to my right hon. Friend for giving way. Earlier, my hon. Friend the Member for Sunderland, South (Mr. Mullin) suggested that there might be a limited number of times when failed states could fail, after which we might have to consider European Union or United Nations control of that country, in order for it to move into steadier waters. Does my right hon. Friend have a view on that?

Mr. George: Yes, and my hon. Friend has delayed my expressing it by 35 seconds. As a former colonial power, we have both an advantage and a disadvantage. That has allowed people such as Mugabe to blame all their deficiencies on British colonisation. Now that Africa has seen off European colonisation, one thing that I would not like to see is its sort of recolonisation by other entities. We have heard about China. We have problems with our expeditions into other countries; using armed forces in other people's countries is very dangerous. I would love it if that could happen in Zimbabwe, but I am afraid it is not going to happen. I can see the advantage of the proposal, but I feel that it would exacerbate matters.

While there must be a lot of endeavour from the international community—I will mention that in a moment—one would hope that the pressure for democratisation would come from below. I say that because in the past 15 or 20 years the role played by the trade union movement in Africa has been very significant in the process of helping to overturn not only colonisation but in some cases the appalling regimes that followed the lowering of the flags of colonial countries. Some of those involved have become Prime Ministers, so civil society is very important.

I hope that the process of democratisation may be spurred by assistance. I do not mean assistance to create a revolution, albeit a peaceful one. I am talking about assistance from so many organisations in the world, such as the United Nations, the European Union, national Governments, non-governmental organisations that are greatly funded by their national Governments, and institutions such as the Commonwealth and La Francophonie. I hope that that will help to create knowledge, awareness and expertise among good people in NGOs operating in civil society, and in banned parties, that will bring about the flowering of democracy—not in the Swedish style immediately—rather than its being imposed from outside.

One of the ironies in examining what the British Government have done can be found when considering a very good effort being made by the Department for International Development. I have said the following before, but it still causes me amusement. If one looks in the annual report, which is a very thick document, one finds that the only reference to democratisation in its index relates to the Democratic Republic of the Congo. It is as though DFID is too timid to mention that it is in the business of helping to promote democracy, so it hides that behind good governance, human rights and so on.

Mike Gapes: My right hon. Friend has referred to DFID's report, but has he seen the human rights report produced by the FCO? It contains several pages about the work on building democracy and references to the Westminster Foundation for Democracy.

Mr. George: I was going to mention the Westminster Foundation for Democracy and Electoral Reform International Services—stalwart efforts are made by United Kingdom NGOs, although the WFD is largely funded by Her Majesty's Government.

A lot of help can come from international organisations and there has been great success, but the task is an uphill one. I am very impressed by some of the things being done by the UN, including what is being done by a department within the Secretary-General's office and the United Nations Development Programme, which does not do much now by way of election observation, having subcontracted that, but does much more on assistance in the process of democratisation.

The progress chart is limited, but there have been some spectacular successes. Almost everyone has spoken of Ghana and Botswana, which are both countries that I know well. The only other country that is really deemed to be democratic according to the Economist Intelligence Unit is Mauritius, which is not strictly on the African continent, whereas the list of those countries that are truly appalling is long. The 2008 election in Ghana was another that met international standards. It is a poor country, but it is now developing energy, which is often a guarantee that a country will fail to be democratic. That is because energy generates too much money for it to be shared with ordinary people or other members of the political elite, and I desperately hope that Ghana will buck that trend.

Ghana has such a good record now in good governance, the protection of human rights and organising honest elections. Its central election commission—few other African countries have this—is outside and immune

[Mr. Bruce George]

from political influence, which is so damning and dangerous to countries seeking to democratise. As has been said, defeated Governments rarely like going into opposition, and I welcome the fact that there is a small society of African ex-Presidents who go around Africa promoting democracy and do so as examples of politicians who lost elections—I hope that the number of individuals involved will grow.

Becoming the Prime Minister or the President of an African country often required their spending a spell in the slammer, as a guest of His Majesty's Government, followed by political office. That seemed to be as vital on an African politician's CV as Eton, Cambridge and the Guards would be on that of a budding Tory MP. Nkrumah followed that remarkable path, being escorted out of prison and taken to the Parliament building to become, in essence, the Prime Minister on the same day. I would love to see the reverse taking place in some countries—whereby people would go from being President to going to jail.

Ghana has become a beacon of those countries that seek to become more democratic. A number of things have to be done within Africa to create and sustain democracy. There needs to be a political culture that is receptive to democracy; a strong civil society, including a strong trade union movement; free and fair elections; a strong Parliament—a wonderful report was published on DFID's behalf that said, "We have spent too little time supporting Parliaments and we have to spend more time doing so because it is one way of securing accountability"—support for NGOs; and an independent electoral commission.

A lot of great work is being done in Africa on observing elections. If someone were to ask me which NGOs are the best in the world at dealing with elections, I would answer that at least two of them are in Africa—in Ghana and Kenya. I hope that we can build on that, so that organisations such as the Southern African Development Community, the Economic Community of West African States and other NGOs bring about democracy progressively.

I mentioned the Economist Intelligence Unit, which uses a sophisticated methodology to rank countries. Those in first, second, third, fourth, fifth and sixth place are the insufferably honest Scandinavian countries. The UK just about makes it to 21st place—thankfully France is in 24th place. The only African democracy in the list of the top 30 is Mauritius. The EIU has a second category of "flawed democracies", which includes most of the eastern European countries, as well as South Africa, Cape Verde, Botswana and Namibia; I believe that six of the 30-odd countries in that category are in Africa. The next category is that of "hybrid regimes", where one finds a clutch of African countries. Unfortunately, in the final category, that of "authoritarian regimes", one finds Mauritania, Egypt, Morocco, Rwanda, Burkina Faso, Comoros, Nigeria, Cameroon, Niger, Angola, Algeria, Côte d'Ivoire—I shall give this list to *Hansard*—Swaziland, Gabon, Congo-Brazzaville, Sudan, Zimbabwe and a bunch of 10 others thereafter, as I said.

Surely there is an enormous problem to be dealt with by Africans themselves and by those who have the interests of African people very much in their minds. About half the worst tyrants in the world come from Africa, and there is a great deal to show that. I argue strongly that the UK is doing a great deal to help. I promised the Minister that I would mention elections; I wish that the FCO would seriously fund elections in the OSC area, because it is going to do much less than it had previously. It is important, too, that election observations by NGOs, the Carter Center and the European Union are all to speed, because election observation is crucial to ensuring the quality of democracy, about which all of us here are concerned.

7.30 pm

Malcolm Bruce (Gordon) (LD): As all the hon. Members who have spoken have said, Africa is a big subject. I do not intend to try to give a tour d'horizon. My Committee has just returned from Kenya and Tanzania, so I might most usefully give the House an update on those two countries. There are several reports that look back over the last 20 or 25 years and show that many countries in Africa have received increased aid and enjoyed rising economic growth and the further development of their economies, especially through minerals, but poverty has continued and in many cases increased. That is a huge dilemma and anxiety for all of us, and we need to try to find some explanations and remedies.

Governance and corruption have been a part of that pattern, but as we have discovered over the past couple of years, and indeed in the last few weeks, the exploitation of the mineral resources of Africa has been done in a way that few countries in other areas would tolerate. Many of the mining companies appear to say to African countries, "You have huge resources here, how much will you pay us to take them away?" As a result, countries such as Zambia are getting a minute return, compared with the profits that are being made by the mining companies. The local communities in the area being exploited get virtually no benefit at all, and that clearly needs to change.

Exceptions to the rule have been quoted. Botswana, which the Committee has visited, has managed to secure a deal with De Beers that has ensured that the gains from its diamond resources are shared 50:50. De Beers was not very keen on the idea at the time, but now travels the world calling it a model partnership. To listen to De Beers, people would think that it had pioneered that model, instead of having had to negotiate it.

The right hon. Member for Walsall, South (Mr. George) mentioned Ghana and the discovery of oil. Most of us are hopeful that the democratic strength of Ghana will be able to handle that, but the Ghanaians have had the wisdom to invite Norway to advise them on how best to develop their oil and gas reserves. I hope that will be done in ways that will generate revenue for the Government and real wealth for the people, which has to be the ultimate objective.

Sir Nicholas Winterton: Does the right hon. Gentleman accept that there are other countries in which those who extract minerals have reached reasonably fair and helpful arrangements with the Governments in question? I refer particularly to Namibia, where in respect of both uranium and diamonds—it is a big producer of the latter—the companies involved have made positive and helpful arrangements with the Government.

Malcolm Bruce: I am happy to acknowledge that, but Botswana pioneered the arrangements and Namibia has wisely followed suit.

The purpose of our visit to Kenya and Tanzania was to consider the impact of climate change and the ability to secure sustainable development in the changing circumstances of climate change and the difficult financial situation. In visiting Kenya, we were also mindful of the political tension that has compromised its development. Indeed, we visited an internally displaced persons' camp between Nairobi and Lake Naivasha, where we asked people what had happened. The initial, rather bland response was that it was a failure of political leadership and the politicians were responsible. But we pressed them and asked, "Who actually drove you out of your homes and burnt your businesses and killed members of your family?" Then they said that it was the brothers and sisters with whom they were living, and that was shocking. The people had resettled in the IDP camp, bought the land and were turning it into a township. We asked them what they wanted, and they said, "We are all Kikuyu in this camp, but that is not what we want. We want to be back living with our brothers and sisters if we can find the reconciliation." Even at that basic level there is hope and an aspiration to find solutions, although the worry is that the political leadership to deliver results is lacking in that country.

In the region we visited, we saw some very positive things that demonstrate that, even in countries with difficulties, there is real potential for development. For example, because we were looking at sustainable development, we visited Lake Naivasha to see the flower farms there. We spent a day at Oserian, where we saw what is a world-class operation by any standards. Indeed, the questions that we had to ask about sustainability and viability were answered in the presentation before we had the chance to ask them. Although the company has 7,000 hectares of land, it uses only 250 to grow flowers. It uses hydroponic systems to minimise water and fertiliser use. It uses real pest management, thus reducing the use of pesticides by 50 per cent. over the last three years. It also uses geothermal energy to dry the greenhouses to prevent fungal infection.

As a result, the company can make the competitive point that the carbon footprint of its flowers, which anyone can buy in a supermarket here, is one sixth of that of similar flowers produced in the Netherlands. For those who suggest that we should not buy flowers or indeed vegetables from Kenya, the simple message is that the opposite is the case. The Kenyan flowers are low-carbon by comparison with European production. The company, one of a number strewn around the lake, is also profitable and employs 5,600 people, paying even the newest employee double the minimum wage and offering bonuses and overtime and providing education, health and housing for its work force. It is a model employer by any standards. If there were enough of a variety of such operations, we would see the beginnings of real development and how a country could move towards the middle-income status that everyone wants it to aspire to. It would certainly lift more people out of poverty.

The problem is that much of Kenya is arid, or very arid, and poses challenges of simple basic survival. It is in receipt of more than $500 million of food aid, and 2.5 million people require emergency food relief. We were told by one Minister that he was sure that enough rain was falling on Kenya to meet all the country's water requirements, but the infrastructure investment necessary to capture that water and distribute it to the entire country was beyond the Government's resources. Indeed, the hon. Member for Crosby (Mrs. Curtis-Thomas) would say that if the Kenyans were given the money and the engineers to do it themselves, it would constitute development, as well as reduce pressure on scarce resources.

We visited a desert area in the north of Kenya. Indeed, we drove for an hour across pure desert with not a blade of vegetation of any kind. We found a very small arable farming project in a location with underground springs. The very simplest support was giving local farmers, who had found the land for themselves, the basics needed to fence it against predators and cultivate it by hand, as well as simple advice on the most appropriate crops for that environment. From being a bit of abandoned desert, it had become a village of several hundred people, preparing the ground for harvesting and looking forward to being able to feed themselves and to provide the town on the other side of the desert with food. Very little money was needed to provide that basic assistance. Indeed, the question was why the Government there could not pick up such projects and apply them.

An agency called Solidarité, a French NGO funded by DFID, was delivering that work and, in other parts of the area, was providing sand dams to capture water, as well as high quality latrines, which had DFID stamped all over them. That is not usually the sort of branding that DFID enjoys, but Ministers will be pleased to learn that DFID latrines are the pride of northern Kenya.

The other issue was how it was possible to improve livestock management for pastoral people living in very challenging areas. Indeed, quite a lot of advice was being given by international institutions. I remember attending the Prime Minister's food summit at Downing street, where many of our researchers complained that our capacity had been effectively demolished in the past 10 or 15 years. I lamented the fact that institutions in my area, such as the Rowett research institute, the Macaulay institute and the Scottish Agricultural College, were disappearing. An international agency based in Nairobi made the point, "We know that. We have recruited many of the researchers ourselves. If you don't want them, the rest of the world can use them." It seems sad that we have had to lose them in that way.

Mr. Tom Clarke: Given that the right hon. Gentleman was one of the principal supporters, I am glad to say, of the International Development (Reporting and Transparency) Act 2006, will he share with the House his views on whether the report, and the response from his Committee, have been debated in the way that he would have wished?

Malcolm Bruce: The honest answer is no. One can never get enough information or enough clarity, but I am grateful to the right hon. Gentleman for the existence of the provision, as the fact that we have an annual debate and an annual report is appreciated. I hope that he will take my answer not as a suggestion that the Act is ineffective, but as a statement that we need even more information to have a clearer understanding, as other hon. Members have said. Of course, that information is not always easy to find and it is easy simply to say,

[Malcolm Bruce]

"Why can't we get an answer to the question?" Nevertheless, the more we ask the questions, the more confidence our taxpayers and the recipient countries' populations can have that the aid is going where it needs to go. The Act was entirely right but we could do with more detailed reporting.

The Committee moved on from Kenya to Tanzania, and it is worth pointing out that real parliamentary reform is taking place in Tanzania, which is effectively still a one-party state with a very limited Opposition. Nevertheless, following the British example—the Westminster model—the chairman of the public accounts committee there is in opposition; he is a party of one, but he is not from the governing party. In partnership with two other committee chairs, he has dramatically reformed Parliament so that there are regular Prime Minister's questions and regular committee accounts and reports. They have opened up a much more transparent, dynamic Parliament and have reported all that in a book, a copy of which I was given by the chairman of the public accounts committee—it was autographed by him—called "A Parliament with Teeth", which really has started to make a difference in Tanzania—

Sir Nicholas Winterton: Thanks to the Commonwealth Parliamentary Association.

Malcolm Bruce: Indeed, that is exactly right in terms of the publication. I acknowledge that entirely as the hon. Gentleman is a member of the CPA executive.

Interestingly, in Tanzania we were looking at different aspects of development. They do not normally fall within the area of things that we would expect our Department for International Development directly to support, but because it is the Department for International Development, it is important to know where the dynamic growth in an economy comes from. There are still roles for education and training to enable the private sector to flourish.

We were looking at the tourism industry in Tanzania and at the Tanzania National Parks association—TANAPA. The immediate information that we received was that tourism was down one third over the past six months. Many of the tourism companies we met were laying people off or making them redundant and that the revenue to the national parks had diminished, which meant that the animal conservation mechanisms were under threat. Of course the benefits, some of which accrue to the local people, were diminished too. It is estimated that about 20 per cent. of the tourist spend goes to the local community, which is not as bad as it sounds given that half the money is spent before people even arrive in the country. Obviously, however, more pro-poor tourism would be desirable.

Again, that raises a longer-term point. Tourism is down right now because people are reining back their expenditure. Some people, including Members of this House, have said that people should not go on long-haul holidays. We need to think very carefully when we make such decisions. Many developing countries rely on tourism for significant potential employment and development. If we stop going to them, we make it virtually impossible for them to lift their economies in that significant sector. It is important that we are aware of the consequences of what we are doing, because tourism generates revenue for Government, jobs for local people and the opportunity to invest and develop.

We also looked at the fact that a high proportion of the timber extracted from the coastal forests, in particular, and from forests across Tanzania, is illegally extracted and that most of it is being shipped to China. That reinforces the point that I made at the beginning of my speech. That activity is unsustainable and most of it gives no revenue to the Government and virtually no benefit to the local communities. The WWF was working with some local communities to try to tackle those programmes, as well as to tackle illegal fishing that uses dynamite, and to try to ensure that a system was in place to prevent the illegal exploitation of resources, to give the Government access to revenue and to give people a share of the resources in their communities. At the end of the day, the problem is that in a huge area of territory where there is no inspection, no follow-up and no enforcement, people find ways to exploit the area in a way that gives no benefit to 99.9 per cent. of the people in the country. It seems to me that we could help to prevent that by training people and providing resources to deliver that training.

In Tanzania, we give a considerable amount of our contribution in direct budget support, which is a controversial matter. It is very difficult to audit every penny but it would be fair to say that the method bears fruit inasmuch as the proportion of the Tanzanian budget that comes from overseas development aid has diminished year on year over the last several years as Tanzanian revenues have risen. That seems to show that the mechanism is working. Indeed, the Government say that their objective is to take the amount of aid that supports their budget down to below 25 per cent. over the next two to three years. That is a remarkable achievement. At the same time—the hon. Member for City of York (Hugh Bayley) is not here—the International Monetary Fund suggested that it was prepared to allow the Tanzanian Government, who have low debt and reasonably good management, to stimulate the economy by 2 to 3 per cent. I hope that I have made the point that that is all very well, but if we do not buy their products or send our tourists there, they will need more than that simply to offset what they have lost from the financial downturn.

That brings me to my final rounding-off point. We are considering the impact of climate change and of poverty in developing countries, and there is a conference of the parties summit in Copenhagen in December. It seems to me that we have to ensure a recognition that the effects of climate change have been caused by the development of the G20—by us—while the impact is greatest on the poorest of the G77. In those circumstances, they cannot be expected to respond to that impact without help.

We also have to be careful that the aid and development budget is not subsumed by the climate change budget, which does not reduce poverty. That is the real tension. The president of the World Bank has suggested that all stimulus packages should have a top-slice that goes towards climate change. I was worried to hear Javier Solana's response, at a Conference of Foreign Affairs Committee Chairs—COFACC—meeting at which I had the opportunity to question him, to my question about why the European Union's proposal was that its

contribution to developing countries for adaptation to climate changes should be a third. Not surprisingly, the developing countries think that contribution should be 100 per cent. They say, "We did not cause it, we are suffering from it, you should pay." That is a reasonable proposition to my mind. Mr. Solana's answer was, "Well, that is just a negotiating position—an opening position for a bargain." The bargain implies that poor countries will have to pay for the climate change damage that we have done to them. The question for the Minister to answer is whether we as a country or as a Government would accept that that is reasonable. There is no justification for compromising poverty reduction measures with climate change measures. Those aims need to be separated and delivered. When one can deliver the other, that is fine, but one should not be delivered at the expense of the other.

My final concern is about the effect of the exchange rate on the cost of the budget. I have very little time left, but perhaps the Minister could let me know in writing rather than with a direct answer. The House needs to know what the real effect of the exchange rate will be on the purchasing power of aid and development. Specifically, we make our contribution to the European Union in euros but the statement in the report is in sterling. That implies that some £300 million to £400 million will not be available for development at the end of the year. It is important that we know. The Government are not in any way compromising their commitment on development, but they have some challenges to meet, and the House needs to know how best to meet them and what the priority decisions involved would necessitate. I hope that the Minister will be able to answer, if not now, in writing.

7.50 pm

Kate Hoey (Vauxhall) (Lab): I welcome this debate on Africa and the wide-ranging opinions and views that have been expressed across the House. In particular, the Foreign Secretary's speech and those of the Conservative and Liberal Democrat shadow Ministers showed how much agreement there is on many issues to do with Africa. I will follow on from my vice-chairman of the all-party Zimbabwe group—the hon. Member for Macclesfield (Sir Nicholas Winterton), who made an excellent speech, and I just want to add a few things to it.

In speaking about that part of Africa, in which I have taken a close personal interest, I want to pay tribute to the magnificent work that has been done by our British ambassador in Zimbabwe, whose extended posting there will soon come to an end. Diplomats and embassy staff in Zimbabwe have had a very difficult time operating in a country where the regime has been far from welcoming or co-operative. Indeed, it has been quite threatening many times. Last Wednesday, we in the all-party group had the pleasure of having the ambassador, Andrew Pocock, here to speak to us. Although we all remain wary of what is happening in Zimbabwe, we feel very encouraged by the positive news that he brought back from Harare and by the other news that we have had and some of the points raised by the hon. Member for Macclesfield.

Some economic progress has been made already by Morgan Tsvangirai's Government in stabilising prices, overcoming the shortages of essential goods and getting Zimbabweans back to work. The short-term emergency recovery programme—STERP for short, which is subtitled "Getting Zimbabwe Moving Again"—sets out very clearly the programme of reform that is needed. The good news is that that is already starting to get under way. Tendai Biti, the new Minister of Finance, is making rapid and robust progress. A vital move was made to cut off the funding of the Reserve Bank of Zimbabwe to curtail its activities and neutralise its influence. That is important because the bank, under Gideon Gono, operated as a never-ending cash dispenser for the ZANU-PF elite and mostly those who are now the hard-liners in ZANU-PF who are horrified at the rate that they are losing power and influence and who want the inclusive Government to collapse, so that they can sweep away Morgan Tsvangirai and his Ministers.

The other positive news is that the cholera epidemic is receding. Of course, we must remember that it was very much a man-made disaster. In many parts of Zimbabwe, the control of water supplies and sewerage in local authorities that had been run by the Movement for Democratic Change was taken away by Mugabe, which meant that no one was looking after those services. That is why the cholera outbreak was dreadful in some parts of Zimbabwe. That did not happen in Bulawayo, where the MDC remained in power and where the outbreaks have been many fewer.

In relation to how Gideon Gono has operated and the way in which a small number of people are trying to work together, I was very pleased to read the very stern warning that was given by the German ambassador last Friday to the hard-liners in ZANU-PF. He addressed a seminar in Harare as a representative both of the EU presidency and of the group of 17 donor nations, called the Fishmonger group, which is particularly committed to assisting the people of Zimbabwe. He set out the five most important goals specifically identified in the global political agreement: the restoration of the rule of law; economic stabilisation and growth; commitment to the democratic process; respect for human rights; and full access to humanitarian assistance. He went on to set out very clearly the priorities that require immediate attention by the inclusive Government. I am sure that we would all share those priorities: the immediate release of all political prisoners; the end of farm disruptions, to which the hon. Gentleman referred and which were condemned outright by Morgan Tsvangirai at the weekend; the cessation of politically motivated violence; the establishment of a credible and transparent reserve bank team; an end to the harassment and intimidation of the media; and a commitment of all the people of Zimbabwe to holding credible elections in a timely manner. The ambassador said—I think that this is also the British Government's position—that only when they see positive developments in those areas will the donor nations that make up the group be ready to release development assistance to support Zimbabwe's reconstruction.

The donors have made it very clear that, if we are to move forward in partnership with Zimbabweans in rebuilding their country, those who have been the cause of its destruction and who continue to thwart reform will have to go. So Gideon Gono must go, because he continues to use his position to provide power of patronage to the leaders of the cabal fighting that rearguard action. Attorney-General Tomana must go. He continues

[Kate Hoey]

to use his position to pursue campaigns of harassment against the independent media, and he has used the legal process to pursue campaigns of persecution against political and civil society opponents of the regime.

The continuing abductions and detentions are evidence of the way in which the campaign of terror is being pursued under the control and protection of the parallel structure of the operational command, so ably pointed out by the hon. Gentleman. The two parallel structures are both trying to be responsible for what is happening. We are now seeing, for the first time, condemnation from within the Southern African Development Community, which is beginning to see the lawlessness of the regime that it has implicitly supported over the past few years. However, a SADC tribunal, which was set up under a treaty ratified by Zimbabwe as long ago as 1992, recently delivered a very strong and decisive ruling against the way the ZANU-PF Government implemented their disastrous land reform programme. Mugabe's Government had tried to defend their policy by claiming at the hearing that the impact of the farm seizures

"cannot be attributed to racism but circumstances brought about by colonial history".

The SADC tribunal dismissed that excuse and ruled that the seizure of land had been based

"primarily on considerations of race".

It was really saying that it was a racist policy, which is, of course, what people in the MDC have been saying for many years.

A couple of weeks ago at the appalling celebration of Mugabe's 85th birthday, on which he spent thousands of pounds, he dismissed the tribunal ruling as "nonsense" and said that it was of "no consequence". In his speech, he claimed:

"We have courts here in this country that can determine the rights of people. Our land issues are not subject to the SADC tribunal."

It will be very instructive for those of us in countries such as the UK and the USA to see how robust SADC's leaders will be in defying Mugabe's bluster and insisting on the implementation of that ruling.

The problem is that the institutions in many of the countries in Africa still find it very easy to be very forthright and demanding in telling us what we should start to do to help Zimbabwe. Of course, most of that seems to involve signing rather large cheques, with no questions asked. They have to be more forthright in demanding what Mugabe's wreckers should stop doing. If they were to do that, they might really help both Zimbabwe and the entire region to move forward.

What Zimbabwe needs and what Africa needs, as has been said over and over, is a productive agricultural sector that provides food, jobs and export earnings by utilising the abundant resources of its land and its people—a consideration that I hope our Ministers will draw to the attention of the G20 summit this week. That is why the speech made by my hon. Friend the Member for Crosby (Mrs. Curtis-Thomas) was true. Everything that we try to do to help in Africa must be bottom up. It must be about giving people there the skills and tools to be able to do things for themselves; projects must not just bring in more and more workers to those countries as well as all those different people who come in and spend time trying to do what they can. It must be about getting the people of Africa to help. That is particularly true of Zimbabwe.

It is absolutely criminal that an agriculturally rich country such as Zimbabwe, with hundreds of thousand of highly skilled agricultural workers, should have virtually shut down production and driven its people to the brink of starvation, now to be rescued by the aid of British and American taxpayers and other countries. That shows that there is hope, in a way. People talk about whether the glass is half-empty or half-full; I feel that in the case of Africa, it should be thought of as half-full, because there is such opportunity there, particularly in countries that have already been developed to a certain extent, but have been brought down again by corruption and dictators.

The United Kingdom stood by the people of Zimbabwe throughout the recent years of terror. We in this country have provided a refuge to many thousands, and we have provided food for millions. I hope that soon, many of the Zimbabweans in this country—those intelligent, educated Zimbabweans who came here in fear of their lives, or to try to get support and help for their families—will feel that they can go back to Zimbabwe. Very soon, the day will come when Morgan Tsvangirai calls for the diaspora to come back, as happened when South Africa defeated apartheid. I hope that those people will come back, because many of them have the skills that are needed.

Over and above the massive work of rebuilding Zimbabwe's economy and renewing its infrastructure, there are other things that have to be done in the next year. There is the new constitution to be written and agreed by the people. New, accurate electoral rolls need to be compiled, so that genuinely free and fair elections can be held. All that needs to be done quickly, because the present arrangement can only be transitional. We all hope that the transition to peace, security and prosperity will take place, and that it will send a clear message to the whole of Africa that the age of corruption and tyranny, which has blighted the continent for too long, and was personified by Mugabe, is drawing to a close.

I should like to end by adding my commiserations and sympathy to Morgan Tsvangirai on the tragic death of his wife, Susan. I had the privilege of having supper with them when I was last in Zimbabwe. No one can overestimate Susan's importance, not just to Morgan but to everyone in the Movement for Democratic Change and in the country. I, too, think that he has been amazingly brave in how he has managed to continue, despite suffering a terrible personal blow. I hope that he is comforted by knowing that all over the world, we are all praying that the little glimmer of hope now there for Zimbabwe will make a difference and take Zimbabwe back to being the great and wonderful country that it once was.

8.2 pm

Tony Baldry (Banbury) (Con): I think that we would all agree with what the hon. Member for Vauxhall (Kate Hoey) said about Zimbabwe. To echo the comments of my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton), it has been a grim time in Zimbabwe. One has to hope that the small glimmer of hope will start to get brighter as the days go on.

Like everyone who has taken part in the debate, I am really pleased that we are having a whole-day's debate on Africa, with Foreign Office and Department for International Development Ministers present. That is important, not least because there has been a tendency in the recent past, through no one's fault, for DFID to take a lead on some issues of policy, and for the Foreign Office to do so on others. The problem is slightly heightened by the fact that the Minister for Africa, Asia and the UN is not in this House but another place. It is healthy to have a whole day's debate that involves both Departments, those who take an interest in Africa from every part of the House, the Chairman of the International Development Committee and the Chairman of the Foreign Affairs Committee; the latter will, I am sure, contribute in due course.

Like my hon. Friend the Member for Mid-Norfolk (Mr. Simpson), I hope that we will have such debates more regularly, and do not have to wait several years before we have another. It is slightly curious that the Ministry of Defence has about four days' debate devoted to defence matters each year, whereas all too often, we have to scrabble around for debates in Westminster Hall if important issues of foreign and international development policy are to be properly debated in this House.

International development policy on Africa has a curious history. We had great hope in 2000, after the publication of the millennium development goals. For a while, it looked like the whole of the international community was focused on Africa. To his great credit, Tony Blair, when Prime Minister, really wanted to take forward a focus on policy on Africa. In the lead-up to the Gleneagles summit, the Commission for Africa provided a very good, comprehensive study of what was needed and required. Tragically, various bombings then took place, and instead of us focusing on the war on poverty, the language was suddenly all about the war on terror. The focus moved from what we could do on development in Africa; the focus was increasingly elsewhere.

I suspect that I am not alone in being somewhat confused about what the international community is doing, in terms of its commitment to funding development in Africa. The UK Government commendably say that they are committed to reaching the 0.7 per cent. target in due course, and that is absolutely fine, but it is now rather unclear by what mechanism the European Union and the other major donors are committed to giving development assistance to Africa. There tends to be a number of important but ad hoc commitments to, for example, the Global Fund to Fight AIDS, Tuberculosis and Malaria, and money is spent elsewhere on education. There does not seem to be an overall process and commitment to ensuring that the millennium development goals are not only achieved, but funded.

All of us in this Chamber know that, whether we like it or not, in politics, process is very important. When we have International Development questions once a month, it is always possible for Ministers at the Dispatch Box to tell the House what they are doing on particular initiatives and in particular countries, but we have lost the sense that there is an overall narrative, in terms of a commitment to funding development in Africa. Of course, that is all the more important now, given the global downturn, which will obviously hit Africa harder than most. I was pleased to hear what the Foreign Secretary said this afternoon, in a key part of his speech, which I think will bear re-reading in *Hansard*. I think that I understood him to say that the Foreign and Commonwealth Office, and organisations such as the Overseas Development Institute, will closely monitor what is happening in various countries in Africa, so that we can get a much better impression of how the present economic situation is affecting different countries.

In the House there is great expertise on Zimbabwe, as we have just heard, and we heard the great expertise that the hon. Member for Crosby (Mrs. Curtis-Thomas) has on Sierra Leone, but sometimes, what we hear is slightly too anecdotal, and it would be very good if the Foreign Office were able to share with us a much more informed, detailed appraisal of what is happening in individual African countries as a consequence of the downturn. What is quite clear is that the downturn will not be good news for Africa, so we need a much more focused commitment towards funding in Africa.

Another thing that we have lost over the past few years is the deal. It seems a long time ago, but way back at the start of the millennium, in initiatives such as the New Partnership for Africa's Development, the commitment was that we—the west, the developed world, the north—would continue to give more and more development assistance to Africa, but the quid pro quo was to be an enhanced improvement in governance by African countries. We have today heard of a litany of coups, from Mauritania to Guinea to Guinea-Bissau; one had to get the map out. We all looked desperately hard, but between us, we could find only two or three countries, including Ghana and Botswana, that had improved their governance. Improvement in governance in Africa has been lamentably poor over the past few years.

Of course, all of us, being good liberal democrat Panglossians, want Africa to succeed, so we always tend to look for whatever glimmer of hope we can find, but the truth of the matter is that governance in Africa has been lamentably slow in improving. We should make it much clearer that there is a deal: we will meet our commitments under the millennium development goals, but there is a quid pro quo, which is that there must be enhanced governance not just in Zimbabwe, but throughout the whole of Africa, and the African Union must ensure that that happens.

Under NEPAD, there was meant to be peer review of how countries were performing, but there has been little peer review in Africa. We saw very little pressure on Zimbabwe until it became blatantly obvious that South Africa had to do something. It was pathetically slow at bringing pressure to bear on Zimbabwe.

John Bercow: Has not one of the weaknesses of the African peer review mechanism been that a country can be peer-reviewed only if it agrees to be?

Tony Baldry: Yes, that has been a substantial weakness. A further weakness is that African leaders are very wary of criticising each other. There just is not the collective discipline to enhance governance and, until that happens, there is a danger that such money as is invested is being squandered. We have to ensure some coherence about how money is invested in Africa, and we have to do something about the deal to improve governance in Africa.

The third thing that concerns me is intervention for humanitarian purposes. Surprisingly, we have heard little about Darfur in today's debate. I am sure that if he

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catches Madam Deputy Speaker's eye, my hon. Friend the Member for Buckingham (John Bercow) will rectify that and rebalance the debate. The House and everybody else keeps saying, "Rwanda—never again." I am not sure where our abhorrence at the nightmare of Rwanda finishes, and what is not sufficiently abhorrent about Darfur for it not to be Rwanda again.

I sometimes facetiously say to my children, when we get round to discussing which part of the garden I will be buried in, that I have no fear of death. I have been to hell. Hell has been Gaza, because I cannot imagine anywhere after death that is worse than Gaza, or Darfur. On the occasions that I have visited Darfur with hon. Friends, it is incredibly difficult to imagine how life can get any worse than we see in Darfur.

I am sure it was right of the International Criminal Court to have imposed an arrest warrant on Bashir, but with 13 aid agencies being expelled as a consequence, huge numbers of people in Darfur will get no access to water or basic food. What is going to happen? They will be forced to leave the settlement camps for internally displaced people in which they have been living for a very long time, and they will have to go to neighbouring towns and villages, where they will get picked off.

Very large numbers of people in Darfur are at risk of losing their lives over the next couple of years. It is difficult to see what the UN can do to prevent that. Much UN assistance had for a long time been delivered through well-established professional NGOs, which have been expelled. Apparently, Bashir has said that if the warrant is not removed by the end of this year, the rest of the development agencies will also be expelled from Darfur.

We heard in 2005 that the General Assembly of the United Nations had passed a resolution on the responsibility to protect. On 12 January this year the Secretary-General published a report to the General Assembly entitled, "Implementing the Responsibility to Protect". The General Assembly will shortly debate that, but the international community as a whole has not yet managed to find one single helicopter of the 22 helicopters that the UN peacekeepers in Darfur have asked for to support the UN peacekeeping operation in Darfur. If the entire international community jointly cannot find a single helicopter to help in peacekeeping in Darfur, what hope have we of seeing any effective implementation of the responsibility to protect?

The hon. Member for North Southwark and Bermondsey (Simon Hughes) last week helped convene here at Westminster a meeting of parliamentarians from around the world interested in enhancing conflict prevention. Such initiatives are worth while, but they will be as naught if the international community is not prepared to put some commitment behind the warm words of UN resolutions such as that on the responsibility to protect. I suggest that the test of that will be Darfur. I fully understand that the UK Government and UK armed forces personnel are totally committed in Afghanistan, but we are not the only nation in the world. The UK is not the international community. I am not suggesting to the Minister that we single-handedly have to sort out Darfur.

However, it is no good the Secretary of State's report containing paragraph after paragraph saying that we should never allow another Rwanda to happen, when we can look at what is happening in Darfur and ask, "What's the difference?" My third concern is that for Africa, whether it be Darfur, or indeed the Democratic Republic of the Congo, which sometimes does not follow far behind what is happening in Darfur, the international community must put some real commitment into conflict prevention and into intervention to prevent humanitarian disasters. I fear we are not that far away from a humanitarian disaster in Darfur.

For those of us who have been able to listen to the entire debate today, optimistic though we all are, it is sobering to think that if there were a balance sheet of achievements in Africa over the past few years, sadly and frustratingly, the minuses would outnumber the pluses. There are far too many things about which we are increasingly concerned, and far too few things about which we can say there has been real progress in Africa. We have not even spoken today about the increase in HIV/AIDS or other important topics, such as maternal health and infant mortality.

It would be helpful for all of us to have greater understanding and clarity about how the international community intends to finance development in Africa. We need to be much more strident and clear in saying to colleagues and friends in Africa that that goes with a responsibility on their part to help enhance governance in Africa. I hope the Foreign Office will continue the good work which I know officials and others are doing, together with the rest of the international community, to ensure that the responsibility to protect means something, and is not just warm words. The test of that will be what happens in Darfur.

8.19 pm

Mike Gapes (Ilford, South) (Lab/Co-op): It is impossible, even in 17 minutes, to cover a whole continent and the issues of great importance to it. A number of issues have been mentioned in this debate, and I shall try to touch on some different ones.

Africa is a continent of 50 countries, with hundreds of languages and dialects. The borders within it, drawn on the maps by colonial administrators, do not bear any relationship to the ethnicities or histories of many of the peoples trapped on either side of them. Africa has nomadic people, who, because of climate change and desertification, sometimes have to move hundreds of miles to find water supplies or fresh grazing land. There have been civil wars and wars of intervention from outside. Furthermore, over hundreds of years, and systematically, people from different parts of the world—Europeans, Arabs or people from elsewhere, even including some from Asia—came to Africa, mainly by ship, to get the raw materials and resources and take them back.

At the same time, there have been significant economic developments such as the building of railways and the opening up of communications. However, many of Africa's trade patterns are geared towards former colonial powers. The ports and communications are often on the coasts. Inter-African trade, between neighbouring countries, is limited. In some countries, the Democratic Republic of the Congo being the most extreme example, it is extremely hard for people in the capital city to communicate with other parts of their country; the DRC is as large as western Europe, and there is no easy way to get from one side to the other, except by flying.

For many ordinary people in Africa, globalisation has not brought the benefits that it has brought to many other parts of the world. However, as we have seen from television programmes and articles in recent months and years, in the past few years the mobile phone has brought an incredible change and an ability to bypass the old technologies and move towards the new ones. I believe that Africa can and should have—I think it will have—an optimistic future based on modern technologies and investment. There is now talk about building massive solar panels across the Sahara to supply electricity for Europe. With an interconnector grid, that same electricity could supply incredible resources to parts of Africa.

Five years ago, I went to Angola with BP representatives on a trip organised by the Industry and Parliament Trust. They took me to a village called Paranhos, where ex-MPLA fighters and ex-UNITA fighters were living together. The village had solar panels that provided the electricity for a clinic, a newly built school and the housing. When they set up the project, BP representatives consulted the people who were going to be living there about the distribution and organisation of the electricity. A communal system was suggested, so that the electricity would go off at the same time every night for everybody. I remembered something similar, because in the 1970s I taught in a mission school in Swaziland, and the generator went off at 8 o'clock. E. P. Thompson wrote "Writing by Candlelight", but I was marking by candlelight in those days.

In that village in Angola, the people decided that they wanted individual switches and sockets. As a result, suddenly there were power cuts because televisions were being plugged into the light sockets, and that had not been factored in. My point is that even in a rural area people aspired to get the same technology as everybody else had, and wanted to be part of the technological process. Today, there are real opportunities for Africa if only we in the rest of the world recognise that the continent cannot be for the pillaging of resources and that Africa provides potentially large markets and a large number of young people who will be important for the development of the future.

I have mentioned Angola, which has often featured today as one of the countries with phenomenal resources. Some 80 per cent. of Angola's budget comes from oil, and it has had 21 per cent. economic growth in one year. But does the oil benefit the people of Angola? No; it does not often even get to Angola. It comes from under the sea and is put into the tankers that float around the world to see where they will get the best price. The money is transferred into Swiss or other bank accounts and ultimately ends up being spent by a small elite on luxury goods in the most expensive shops in western Europe or north America.

"Undue Diligence", an interesting report by Global Witness, has just been published. Its subtitle is "How banks do business with corrupt regimes", and it has a chapter on how Angola operates. It makes the points that I have just made, and also states that:

"for the last ten years, the amounts lent by commercial banks—mostly European but increasingly also Chinese—in oil-backed deals to Sonangol"—

the state oil company of Angola—

"have steadily increased and now involve regular new loans of billions of dollars each. The trade press is full of praise for Sonangol as a reliable borrower—a borrower which has in recent years been rewarded for its reliable repayments with increasingly large loans".

Those loans, of course, have to be paid back at some point. They will be paid back from future oil revenue, which until now has not been invested for the benefit of the mass of the people of the country. We need to be aware that if a country has such raw materials and resources, that allows it to operate outside the extractive industry's transparency regimes and outside the International Monetary Fund. We know from Angola's tragic past that its civil war was financed by arms dealers, Russian oligarchs and others on the basis that they would get income in future from the sale of the country's assets. The people of Angola have suffered grievously from that.

Although the Foreign Affairs Committee has not produced a specific regionally focused inquiry on Africa, we have, over recent years, dealt with several of the countries that have been mentioned—for example, Somalia, where we drew attention to the allegations of human rights abuses and the very serious internal situation before and during the Ethiopian intervention. In our 2007 report, we were critical of the damaging and dangerous impact of air strikes, which, although ostensibly against terrorist targets, had led to large-scale civilian deaths. In our 2008 report, we were very critical of the Foreign and Commonwealth Office for failing to pay sufficient attention to that in its human rights discussions, and for making no mention of the human rights abuses that had allegedly been carried out by the Ethiopian armed forces in Somalia. We recommended that the FCO should make Somalia's human rights situation a central focus of its annual human rights report. That report came out last Thursday, and I am pleased to say that it refers to Somalia as one of the major countries of concern. I am pleased that the FCO has listened to what we said. Other African countries, including the DRC, Sudan and Zimbabwe, are on its list of about 20 major countries of concern.

Although reference has been made to setbacks to democracy in Africa, there have also been significant moves forward. Overall, despite difficulties, southern Africa is doing much better than other parts of the continent. We have a vibrant democratic Government in Botswana and a functioning democracy in Namibia—although not as pluralistic as in Botswana. We also have the situation in Mozambique, with the voluntary retirement of the President, a democratic election and an effective, functioning two-party system. That was helped greatly by the Westminster Foundation for Democracy, with the Labour party helping the FRELIMO party and the Conservatives helping the RENAMO party. I am pleased that over the years we have been able to assist effectively in that transition, with Mozambique, a Portuguese-speaking country, wishing to come into the Commonwealth because of its desire to be associated with its neighbours.

South Africa, which is of course a very big neighbour, faces some internal difficulties during the transition from Mbeki to his successor, Mr. Zuma, in the African National Congress, and it remains to be seen what will happen in the forthcoming election. However, despite the flaws and difficulties, South Africa has shown the way forward, in terms not only of reconciliation but of pluralistic elections at state and local level, as well as at

[Mike Gapes]

national level. There are free trade unions, there is a vibrant free press and there is an independent judiciary: those are important aspects of democracy.

Sadly, one small country in the region—Swaziland, between Mozambique and South Africa—is a blot on democracy. The Commonwealth has spent several years trying to help with the democratic processes in Swaziland. When the Swazis were trying to draw up a new constitution, there were intensive efforts to assist in that process. Unfortunately, however, the outcome has not been very good. The Commonwealth expert team's report on the Swaziland national elections, dated 19 September last year, referred to

"an inherent 'dualism' in the Constitution of Swaziland"

and said:

"Whereas in a constitutional democracy, a Head of State acts on the advice of the Cabinet and/or Parliament, under the Swazi Constitution the King may also act on his own discretion or on the advice and recommendation of other persons or authorities."

It continues:

"a mechanism should be found to insulate the Monarchy from the turbulence of politics."

That is good advice, which should have been followed by Charles I, and I hope that it will be followed by Charles III. It is certainly something that we should put to all countries where there is a monarchy. The monarchical system in Swaziland is based on a traditional authority, alongside a Parliament where political parties are not formally allowed—they operate, but they are not allowed to contest elections as parties—and where there has been significant suppression and repression of opposition voices.

In that country, according to the Economist Intelligence Unit, United Nations Development Programme and official Government of Swaziland statistics, two thirds of the population live in chronic poverty, a majority depend on food aid, there is the highest prevalence of HIV in the world, and 10 per cent. of the population are orphans. When I went back to St. Philip's mission, the school where I worked for Voluntary Service Overseas in 1972, I saw a hostel for 180 orphans built next to the church and the school where I used to teach. Life expectancy for a new-born child in Swaziland is now 31 years; deep issues in that country must be resolved. We withdrew our high commissioner from Swaziland. We now have an excellent high commissioner in South Africa, and we need to keep our focus on Swazliand.

8.36 pm

John Bercow (Buckingham) (Con): It is a pleasure for me to follow the hon. Member for Ilford, South (Mike Gapes), who has vast experience of international affairs stretching back a number of decades, and which experience he deploys to full effect in chairing the Select Committee on Foreign Affairs.

A little earlier, my hon. Friend the Member for Banbury (Tony Baldry) lamented the lack of contributions on the subject of Darfur, though I can safely say that he virtually single-handedly atoned for that error of omission. However, if I needed any encouragement and exhortation to speak on the subject, my hon. Friend generously provided it, and I would like to focus narrowly my remarks on the subject of Darfur, which I regard as one of the greatest humanitarian crises continuing to unfold in the world today.

Reference was made earlier in the debate to the issue of the International Criminal Court warrant against President Bashir, and to the immediate and wholly unjustified consequence that 13 international aid agencies were expelled from the country, together with a number of others whose work was curtailed. Inevitably, that has had a deleterious consequence, which was entirely predictable and will not cause the slightest loss of sleep to one of the worst tyrants and thugs on the face of the planet—namely, Bashir himself.

It is important to note, however, something that is factually established, with the signature of the Government of Sudan, and which is therefore clear beyond doubt or argument. There was a joint United Nations-Government of Sudan humanitarian assessment of the situation in Darfur between 11 and 19 March this year, culminating in the issue of a joint report on 25 March. It makes sobering, and perhaps harrowing, reading. What that assessment found was significant: approximately 650,000 people in the region were judged not to have access to full health care; feeding programmes for pregnant women and for malnourished children continue to be disrupted; and 1.1 million people who are currently receiving food rations as a result of the emergency two-month programme under the auspices of the World Food Programme stand to cease to receive those rations unless alternative sources of supply are urgently identified and delivered.

As if all that were not sufficiently grievous, we have to reckon with the UN warning of imminent and major water shortages, which are on the way as sure as night follows day. The implication of that, of course, is that we face a double whammy of humanitarian crisis. Not merely is the ugly phenomenon of thirst and hunger likely soon to be exacerbated, we face in addition the prospect of an exponential increase in diarrhoea, cholera and a plethora of water-borne diseases. If we reflect on the significance of those water shortages—the damage to sanitation, the impact upon hygiene, the detrimental effect on waste management—and of the withdrawal of a vast repository of professional expertise in international NGOs, the consequences for some of the most vulnerable people on the face of the earth scarcely bear contemplation. Yet we have a duty to contemplate them and decide within the international community what action is to be taken.

My hon. Friend the Member for Banbury rued the inadequate reference to the subject, and one might add that, in addition to our not having said much about the humanitarian crisis that is continuing to engulf the people of Darfur, we have said next to nothing about the security situation and particularly its interrelationship with the humanitarian aid effort. The truth can be starkly stated. Aid workers go about their business not in a congenial or even moderately benign climate but, to their enduring credit, in a climate of fear, suspicion and apprehension about what will happen to them or to those whom they are seeking to help.

There are recent examples that underline that point. Very recently, three Médecins sans Frontières workers were kidnapped by a pro-Bashir militia and taken away from the line of duty and the people whom they wanted to help. As if that were not bad enough, as recently as two weeks ago on 16 March a local employee of a

Canadian aid agency was shot dead. It behoves the House, the Government and the international community to decide what is to be its response to the wholly unacceptable situation in which a thuggish and tyrannical regime is cocking a snook at the international community and entertaining, apparently without any concern at all, the prospect of an even worse humanitarian plight in weeks to come than has obtained to date. We must have a response to that.

I look forward to the Under-Secretary of State for International Development, the hon. Member for Bury, South (Mr. Lewis), offering the House the Government's assessment of the scale of identifiable need both now and in a couple of months' time when the wet season comes. I should appreciate it if he could give some indication of how the Government and the international community intend to plug the gaps in aid delivery, and how they intend to finalise that planning now so that deliveries can come on stream when the World Food Programme withdraws.

Mr. Tom Clarke: As we would expect, the hon. Gentleman is making an excellent speech. I hope that he will forgive my saying that I did refer to Darfur earlier. He is making serious and relevant points, and I know that he has paid great attention to these matters over the years. If there is one issue that transcends others and stands in the way of our getting a solution, what does he think it is?

John Bercow: I wish I knew for certain, but I suppose that I feel, in concert with my hon. Friend the Member for Banbury, that if the responsibility to protect as a doctrine were accorded the status in the international community that it properly warrants, there might follow a diminution in the number and severity of egregious domestic human rights abuses that take place. Now, I do not say that that would broker a lasting peace agreement and its retention for years to come, but the way in which the bestial oppressors in Khartoum treat with abject contempt the doctrine that the international community sombrely proclaimed only four years ago shakes and horrifies me.

Even on a small scale, it would be useful if we could up the ante multilaterally, perhaps through a joint visit by the humanitarian boss John Holmes and Ban Ki-moon to the region to see for themselves the scale of the difficulties. That would at least send a message to Khartoum that the issue will not go off the radar, that it is not being relegated and that we do not intend the regime to be able to continue to act with impunity.

The right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), who did indeed refer to Darfur, and dazzled me with his usual display of knowledge and eloquence, causes me now to want to focus on the violence in Darfur because that is the background to the issue.

Mr. David Drew (Stroud) (Lab/Co-op): As someone who shares the hon. Gentleman's interest, I appreciate all he says about the Sudan. However, there is a problem with the International Criminal Court citation inasmuch as some of the politics—for example, a visit by the Secretary-General—could never happen because the Secretary-General could not meet President Bashir. That is one of the problems of the legal route going alongside the political route. Like him or loathe him, one has to deal with Bashir.

John Bercow: I accept that that appears to be the case in the short term. I still maintain that the ICC decision was right. I appreciate that there can be a balance between doing what is just and what is immediately convenient and expedient. Nevertheless, I would rather not be drawn too far down that track because I would like to say something about the background to the issue.

The House should be reminded—and we should remind those attending to our debate—of what spawned the terrible humanitarian crisis. It is the six-year catalogue of horrific human rights abuses: aerial bombing, mass shooting, widespread rape, the disruption of crops, the theft of livestock, the calculated poisoning of water supplies and the chaining together of human beings and burning them alive. Those are all part and parcel of the story of savagery that has shamed and disfigured the Government of Sudan in the eyes of the world.

There was a response from the international community—on my reckoning, there have been no fewer than 12 United Nations Security Council resolutions, which specifically refer to the need, among other things, to deploy troops and logistical support. My mind turns immediately to UN resolution 1769, which was passed on 31 July 2007, the terms of which—calling for a total deployment of 26,000 joint, hybrid UN-African Union troops—were supposed to be completed by the beginning of 2008. We are now 14 months on. I am grateful to the Under-Secretary of State for Foreign and Commonwealth Affairs, who informed me by written reply last Thursday that the Government estimate that 18,300 people are currently deployed in the region. We are therefore still way short of the figure that should have been reached a long time ago.

However, as other hon. Members have said, the problem is not only the inadequacy of the size of the force, but the lack of anything like the logistical back-up to effect the limited but important mandate that has been conferred on it. We have not yet been able to get a single helicopter. Despite the formation of friends of the United Nations-African Union Mission in Darfur, with several countries rhetorically speaking in support of the importance and urgency of the mission, few have contributed much by way of practical assistance. Although in many ways I admire the contribution of the Department for International Development, and the Foreign Office is doing its best, it is not particularly impressive that we as a country have, as I understand it, to date provided only four—I repeat: four—military personnel to the region. There are big problems, and it seems to me that a step change is needed if we are to achieve something.

Moreover, there has been a flagrant infraction of the status of forces agreement between the Government of Sudan and the United Nations, when recently the deputy commander of the UNAMID mission wanted to go to Darfur to conduct an assessment of the security situation and was prevented from doing so—would you believe it, Madam Deputy Speaker?—by Sudanese security officials on security grounds, despite the fact that part of the raison d'être of that deputy force commander is to make such assessments himself.

I simply make the prosaic but valid point that the longer we wait and the less we do, the greater the burden and the bigger the cost will be when the day of reckoning comes and the challenge of reconstruction confronts the international community. I cannot but feel that we must invest the debate with a degree of

[John Bercow]

urgency, because sometimes, quite understandably, we can all become numbed by the seeming inevitability of it all, to the extent that things do not shock us quite as much now as they did when first the cocktail of barbarity was unleashed, principally—although not exclusively—by the Government of Sudan, in concert with the Janjaweed militias. A more mendacious bunch of mass murderers it would be difficult to find anywhere, but they continue their work to this day. We should use the good offices of the Foreign Office and DFID, acting multilaterally, to try to achieve a step change in the speed with which the necessary deployment of personnel and munitions is delivered.

I want to finish on a point that I know the Under-Secretary of State for International Development could very properly say was a matter not for him but for the Home Office. He might be tempted to do that—I have almost given him his get-out clause—but I implore him to take the point a bit more seriously than that, because we are supposed to believe in the attempt at joined-up government. I am not trying to make a partisan point, as he knows me well enough to recognise, but a humanitarian point.

I am very concerned about asylum policy in respect of people coming to this country from Darfur. In about the middle of 2008, the Government decided not to return failed Darfurian asylum seekers to Sudan, pending a judgment from the courts and the Asylum and Immigration Tribunal that it would be prudent to resume such returns. My understanding is that the Government are looking to the tribunal next month for a ruling, but I exhort them not to undertake such returns.

In 2007, Sadiq Adam Osman was returned to Sudan. In March 2007, he was savagely beaten up—people do not visit upon themselves disgusting weals; that was done to him. The case was covered in *The Guardian* on 29 March 2007 and, if I remember correctly, in a Channel 4 programme at about the same time. That was a dangerous return. More recently, there was a case of a man called Adam Osman Mohammed from south Darfur, who came in pursuit of asylum in this country, did not get it and returned in August 2008. Subsequently, when initially—and perhaps unwisely—he ventured to move from Khartoum to Darfur, he was followed by Sudanese agents and shot dead in front of his wife and small child.

I put it to the Minister that we have a legal obligation, as well as, I would argue, a moral duty, to adhere to the principle of non-refoulement. That is to say that we should not return people to countries where they are at risk of imprisonment, torture, death or a grisly combination of all three. It is my submission to the Minister that that is what we would be doing if we returned Darfurian asylum seekers to Sudan. It is frankly not acceptable for the Home Office to say, "Well, they can't go back to Darfur, but it's all right if they go to Khartoum." The place is crawling with state agents. Darfurians bear tribal scars that make their allegiance explicitly obvious to the Sudanese Government. It is a highly risky process to send them back and then simply to hope that they will be all right.

The truth of the matter is that, in this conflict, too many people have suffered too much for too long, with too little being done to help them. It is an inescapable fact that the numbers of dead, dying and destitute are rising daily, and we cannot simply look the other way. I feel passionately that the responsibility to protect has to be embraced and that acceptance of the doctrine and its practical implications for conflict resolution must be vigorously pursued by our Government in international forums. Where necessary, we must talk not of peacekeeping but of peace enforcement. It is the enforcement of peace that is now necessary in Darfur.

I have probably rather bored the House over the years by emphasising that we have to decide what we mean by the responsibility to protect. Is it to involve a serious attempt to avert war crimes, crimes against humanity and genocide, or is it simply to be a rather futile exercise in vacuous moral posturing that has no implications for policy? I want it to be the former, not the latter. The Government cannot do this all on their own, but I appeal to Ministers to catapult the subject of Darfur from the back of their minds to the front, and to seek the improvement in the condition of the long-suffering people of that benighted region that they need and deserve.

8.56 pm

Michael Jabez Foster (Hastings and Rye) (Lab): I guess that we do not need reminding—although it is always worth doing so—that the economic tsunami that is now engulfing our world metes out its worst effects to those who are the least able to defend themselves. That includes many of the nations of Africa, including Sierra Leone. We heard a lot about that country from my hon. Friend the Member for Crosby (Mrs. Curtis-Thomas) earlier.

I believe that we need to keep things simple. A combination of trade and aid is needed, but the sub-plot is the question of how we can best deliver this to the greatest effect. Whether we are combating climate change or relieving poverty, it starts with us as individuals. What we do can make a significant difference. I am ever impressed by the work of the fair trade advocates. For example, in my constituency, Christine and Michael Ward knock on our doors and our consciences, reminding us constantly that, for only a few pennies more, we can purchase fairly traded tea, coffee and other products, which gives hope and opportunity to the growers in the third world that would otherwise be denied to them.

I also recognise that helping to build undeveloped economies, while important, does not resolve the concerns of the here and now. Starving children cannot wait for the upturn in the economy. That is why I am delighted by the comment by our Prime Minister that, even in this difficult time, the wealthy nations must play their part. I hope that the G20 will make that resolution. The test will be that they will have failed if they do not recognise the needs of Africa as a priority. As a Labour Member, I am obviously justifiably proud that we have trebled the spend on overseas programmes over the past 12 years, and that we are now the second biggest giver of international aid in the world. However, I would still like us to go for the gold as soon as possible.

It is true that, while Government agencies and non-governmental organisations such as World Vision do an amazing job, concern is frequently expressed about how much of the aid reaches its proper destination, and about how much corruption depletes the value of the

giving. I am often reminded of the words of the late, lamented Lord Donald Soper, a Christian socialist who was a great hero of mine. He spent much of his time standing on a soap box at Speakers' Corner. One Sunday, one of the wags in the audience asked him why we should give overseas aid, when half of it never reached the poor. Lord Soper replied that that was a reason for giving twice as much. I think he had a point.

However, there is a better way of making every pound count, and of reducing administrative costs and the risk of corruption. I know that the British Government have been working hard on this, and if it can all be done, it will provide a better answer. I heard my hon. Friend the Member for Crosby explaining earlier some of the administrative quandaries—indeed, the nightmare of problems—that Government projects sometimes take on and their failing to produce the intended outcomes.

I modestly suggest that there is a way of pursuing those objectives, at least at the bottom end. In fact, there are probably two ways of providing direct action and support. The first is remittances. Expatriates of many African countries—and, I suspect, of elsewhere—send part of their hard-earned earnings directly back to the families they left behind. There is nothing wrong with that. Going as it does directly to the families in need, it is estimated to account for twice the value of our overseas aid budget. At some time in the future, we could perhaps consider the possibility of providing tax relief on such payments, although I acknowledge the difficulty of ensuring proper tax compliance.

The second and direct way of offering support is from community to community. Over the past eight years, I have been involved with the Hastings-Sierra Leone friendship link. If you would like to know more about it, Madam Deputy Speaker, you can look at www.hastingshastings.org.uk, but I will try to tell you a little about it in the remaining minutes.

First, we are not the only town in Britain to be involved in twinning projects. My hon. Friend the Member for Crosby was at the vanguard in her efforts to drive and support links between Crosby and Waterloo in Sierra Leone. Her motivational leadership—I was going to say that she chairs the committee, but my hon. Friend does not really chair anything; she motivates, harangues and ensures that things happen—helped to achieve that. That is a practical example of what can happen. I believe that a £1 million library is being built, but school libraries are already in place and 250,000 books have been delivered, all aiding and supporting the education of young people in that town.

I would like to say a little more about our twinning experience in Hastings, how it came about and what it has made possible. I hope that the Government will feel able to encourage more such links, as they really work. Back in 2001, following the end of the civil war in Sierra Leone, I had cause to be in the lift—a very slow lift—just by the Dining Room with my hon. Friend the Member for Liverpool, Walton (Mr. Kilfoyle), who was a Defence Minister at the time. He told me he had just come back from Hastings, Sierra Leone, and the town was in a terrible mess; he asked whether we could do something about it. It so happened that, some months previously, the then British high commissioner, Sir Peter Penfold, had suggested that members of the peacekeeping forces contact UK towns with the same message—namely, that they should try to contact towns of a similar name in Sierra Leone and see what could be done.

Such a message came to Hastings via a young officer known as Wayne Addy, a young man from nearby Sedlescombe. Nothing happened at that time, but when it was added to by the entreaty of my hon. Friend the Member for Liverpool, Walton, it fell on ready ears. I approached Dr. John Geater, chairman of the local Christian charity, LOAF. The LOAF project had recently built a school in Rwanda and an orphanage in Romania, so it had experience in developing countries. LOAF adopted Hastings, Sierra Leone, as its 2001 project and enlisted the support of local engineer Derek Tomblin, who in the years since has been superb in offering his expertise and enthusiasm to the cause. Derek travelled to Sierra Leone and identified some 13 bridges that needed total rebuilding, restoring or upgrading. LOAF appealed to the Hastings and St. Leonards community—schools, Churches, businesses and so forth—to sponsor a bridge; and a generous community responded.

A group calling itself the Hastings-Sierra Leone friendship link was then organised to ensure continuity when LOAF moved on to another project. Within three years those bridges were built, assisting the locals of Hastings, Sierra Leone to move more freely around the district, to travel into Freetown and to rebuild the devastation that the civil war had caused. While the idea was that of Derek Tomblin and the plans came from him, the building was done by local labour: that was what was so important. Derek Tomblin and all those involved, however, were not content with simply a one-off project; they wanted a long-term relationship—a reciprocal relationship whereby Hastings UK could learn as well as give.

We discovered an ex-pat Sierra Leone group in London, known as the Sierra Leone-Hastings association UK. The leading lights of that organisation, Yvonne Johnson and Yvette John, were more than ready to come to Hastings UK and over the years that followed, we have regularly enjoyed community events with African music and food in our parks and in our community centres. It has been fun, but it has also enabled us not just to pay for those 13 bridges but to proceed with a major project to build a community resource centre. The centre, designed by Derek Tomblin with local input, is now virtually complete, and should be operational by the end of the year.

Most important, in 2006, Hastings borough council, under the then Labour leadership of Councillor Jeremy Birch—who is now the chair of the Sierra Leone friendship link—decided to pursue the idea of a formal twinning with its namesake in Sierra Leone. We have a number of other twins in Europe. This will be very different, but the commitment was absolute. Although political control of the town changed subsequently, the whole-town understanding was maintained. The new leader of what was now a Conservative council, Councillor Peter Pragnell—along with the deputy mayor, Eve Martin, and with the support of the mayor, Maureen Charlesworth—took part in the formal twinning ceremony on 14 February 2007 in Sierra Leone, which I was happy to attend.

This has become a genuine all-party project including people across the political spectrum. For example, the Liberal Democrats' Paul Smith was also involved. The formal twinning gives status and structure to the arrangement, but it is the day-to-day work under the wise guidance of Robin Gray, secretary of the friendship

[Michael Jabez Foster]

link, that has enabled us to make a difference. Indeed, the social interaction between the two towns has been almost as important as the direct financial aid. For example, Roger Mitchell and his wife Margaret have been very much involved in linking schools. Seven of our Hastings schools are now linked with seven schools in Hastings, Sierra Leone. Recently, Chris Lacey of Helenswood school handed over a cheque for £6,098. That money was raised by the young people as a contribution to the cost of providing a community nurse in Hastings Sierra Leone. Of course, every penny will be spent for that purpose.

Another fine example is the twinning of Christ Church school—I stress that it is a Church of England school—with Kankaylay Islamic school in Hastings, Sierra Leone. Although Christ Church is a Christian school, when it learned that about £11,000 was needed to buy land and rebuild Kankaylay—a lot can be done for £11,000 in Sierra Leone—that Christian organisation set about raising the money. It has already raised about half of it, the land has been bought, and over the coming months Christ Church school will seek to raise the building costs.

Arrangements of that kind will work because of the involvement of local people. It is not organisational and it does not require Government intervention, although Government support would be very helpful. What matters is the existence of an organisation that is "grass roots" in the obvious way that I have described. Anne Hanney, head teacher of that school in St Leonards, was part of the original twinning party. She recently arranged for a further group from Christ Church school to visit Sierra Leone with the support of the creative partnership project. Three members of her staff—Anne Hsapoloyo, Rose Pelling and Tania Kavanagh—were involved in a week of activities at the Islamic school, teaching and learning not just lessons but games, and bringing back ideas, which are now being used successfully at Christ Church. That is a fine illustration of the fact that the link can work in both directions.

The school links have been fun as well. I recall that at the time of the twinning Veriko Scrivener, a teacher from Elphinstone School in Hastings, composed a song called "I Love Hastings" . It was amazing to see all the little African children from Hastings, Sierra Leone singing in unison, joined by Hastings school children.

I could have described much more if I had had time to do so. Conquest Hospital in Hastings has been sending surplus medical supplies. Gary Walsh of the East Sussex fire and rescue service not only went to Hastings, but has since been offering training opportunities and advice to its Sierra Leone counterpart. The police have formed a link, as have Churches.

Mrs. Curtis-Thomas: Will my hon. Friend say a few words about the benefit of the twinning to citizenship, and about the growing understanding of faiths between the two communities?

Michael Jabez Foster: It is right that in Hastings, Sierra Leone, and Sierra Leone generally, there is a two-faith society, Christian and Muslim. What impressed me was that, in all their public affairs, both the Muslims and the Christians are part of the show. I asked why it was that they got on so well, and a Roman Catholic priest made it clear that it was down to respect. That might be something we can learn from.

This face-to-face, town-to-town, school-to-school contact is so different from putting money in a box, and as I said at the beginning, every pound raised goes to the purpose, and it goes with love. It so happens that Hastings UK is one of the poorest towns in Britain—indeed, it is among the 30 poorest—and thus we appreciate that the cash we can offer will always be limited. But as Mr. Kamara, the head teacher of the Kankaylay Islamic school, said on the recent visit,

"no help is too small to make an impact on rebuilding hope".

We certainly hope that our small contribution will make a difference to our fellow world citizens in Hastings, Sierra Leone, and I commend the twinning concept to all.

If anyone feels enthused to join in the celebration, we in Hastings UK can offer barn dances, and on 4 July there will be a town-wide sing-song in Alexandra park, to which all are welcome.

9.11 pm

Alistair Burt (North-East Bedfordshire) (Con): When attending debates such as this one, I sometimes feel that this House would be rather better received than it is at present if only those who spend their time criticising and writing about Members of Parliament could hear the range of experience that colleagues bring to their contributions, speaking with passion and considerable knowledge of people in countries far away, who can offer them not a single vote, but whose care and consideration those colleagues have at the very top of their agenda.

This has been a fascinating debate, which I have much enjoyed. Colleagues have spoken from their experience, and I am no different from others in having had the tremendous experience of having been to Africa on a number of occasions. Two of my travel companions are in the Chamber at present: the hon. Member for North Southwark and Bermondsey (Simon Hughes) and I made many trips to South Africa together in the 1980s and '90s, and my hon. Friend the Member for Buckingham (John Bercow) and I were in Mozambique not too long ago. The relevance of both those trips will become clear shortly.

At the beginning of the debate, my very good friend the Minister tried to probe my Front-Bench colleague by asking about the future structure of the Foreign Office and the Department for International Development. He was trying to find out something that might give him a thread of comfort as he and his party head towards an election. I remember doing something similar in 1996-97: we tried to probe the Labour party to find out about some procedural issue that we believed we could then fling to the public and which would act as some sort of lifeline to us. It was like holding up an umbrella in a volcano; it does not work. It does not matter what the Minister thinks will be the structure of Departments under a future Conservative Government. When a Government start to worry about what an incoming Government of a different political party are going to do and start to talk about it, that betrays a certain lack of confidence, and I worry that the Minister

might have fallen into that trap in his earlier questioning of us. In any case, he did not get the response he might have been hoping for.

I shall now turn to the meat of my remarks, and I shall be brief. I, too, wanted to make the point that in speaking about Africa we all too often concentrate on problems, rather than on the good things that are happening. We have all had great experience in Africa of things that go well and of the tremendous excitement of being in different places. The hon. Member for North Southwark and Bermondsey and I were in South Africa in some awful times, and we went back to South Africa after the transition and change. We had stood together as the Caspers cruised up and down a road in Crossroads just after a camp had been evicted, and some years later, in 1999, I went back as an election observer and saw the tremendous difference in the country.

I had the good fortune to go to Rwanda with my party a couple of years ago to see the change taking place in that country, and we will be going back again this year. The hon. Member for Ilford, South (Mike Gapes) made reference to the great work done by the Westminster Foundation for Democracy, and I would also like to pay tribute to that organisation and to the work that the political parties do through it. I simply say that the Conservative Women's Organisation has recently visited Uganda and has worked with the opposition parties there. The selfless work that our political parties do abroad, working with those who are fighting to create fledgling democracies and to make sure they have strong foundations, is rather unsung. That work, which is done by politicians and the WFD, has much to commend it. Almost all of us have taken part in it in some way and we should celebrate that.

I recognise that a couple more hon. Members wish to speak, but the particular point that I wish to make to the Minister briefly relates to the work of aid agencies—my point is supported by comments made thus far—and I am thinking, in particular, of the work of faith-based aid organisations, especially Christian ones. My reason for doing so is that from time to time there is a struggle in this country involving those who fear that Christian-based organisations are too powerful and have too many privileges and those who believe that an increasing secularisation would be of benefit and who seek to squeeze out the influence of faith organisations. Whatever the circumstances in this country, and whatever debates we may have about the influence of faith and about rising secularism, in Africa faith is really important—in many places the Christian faith is very powerful and the work of the Church is crucial.

I wish to discuss two or three aid agencies in particular, but first I should like to comment on the scale of the Church's work, because it is one of the few movements that is global and local. Through its larger organisational structures, it is robust enough to support national health services and its influence is such that it can mobilise hundreds of thousands of people worldwide to lobby on issues such as climate change and debt relief, yet much of the work of the Church is hidden and undocumented. Outside communities where it has a presence, its work at the grass roots is almost invisible.

Tearfund has worked with and through evangelical Churches from across the denominations for 40 years, and it believes that the Church's greatest potential lies in local congregations rooted in the local community and local structures. The local church is the poor—its members share in the suffering—and its work is exemplified in many ways: it does work on HIV/AIDS—we have mentioned that before and I shall say a little more about it later—it provides water and sanitation, bringing sanitation and hygiene to areas not reached by the state; it provides advocacy, because the Church is one of the few agencies able to disseminate information from the grass roots in countries such as Zimbabwe; and it does work on gender equity, because the local Churches' deep roots in local culture mean that they are often uniquely placed to tackle discrimination.

May I mention two particular agencies? I went to see the work of Habitat for Humanity in Kenya and Tanzania some years ago. Habitat for Humanity is involved in building homes, and for over 30 years or so it has built some 53,000 homes in 28 countries for some 300,000 people, but it is about more than just the building of houses; the process that Habitat for Humanity goes through involves the local community and its work has moved on from the mere building and repair of houses to the consideration of tenancies in slums, the right of tenants to remain and the efforts of those in slums to get some sort of civic governance and civic recognition for what they do, thus giving them stronger rights. The work of an organisation such as Habitat for Humanity is so much more than just providing a roof over people's heads; it is getting to the roots of poverty by tackling the injustice that has gone along with the absence of people's rights to the very basic privileges that the rest of us take for granted. In a speech recently, Ian Walkden, the UK director of Habitat for Humanity, said:

"The home is the centre of all human development. Decent housing drives individual well being, economic development and strong community. In short it is the most influential intervention we can choose in transforming individual lives, local economics and community development. If you live in a shack made from rubbish and scavenged material, your children get wet when it rains and they are cold at night. You are vulnerable to eviction, enforced migration and infection and your poverty exposes you to the most brutal forms of abuse and control. The impact of unfit housing goes well beyond the physical. Rubbish housing crushes the human spirit, wrecks lives and creates a damaged environment. It locks people into insecurity and dependence. At Habitat for Humanity we think that can be changed."

The work of World Vision, which my hon. Friend the Member for Buckingham and I saw when we were in Mozambique, was equally moving and effective. Some 12 million children in sub-Saharan Africa have lost one or both parents to AIDS. Some 2 million children are living with HIV worldwide, and almost 90 per cent. live in sub-Saharan Africa. The work that needs to be done to support those who have been orphaned through AIDS is critical. I ask the Minister to recognise the need to set out specific criteria for the support of those orphaned by AIDS and ensure that the message is clear. We also need to support national Governments to deliver comprehensive and integrated prevention of mother to child transmission of HIV, which is all too often not specifically set out in the targets that people need to reach. I urge the Minister to change that.

I understand from Tearfund that about a year ago DFID began to work on a strategy for working with faith-based and Christian organisations. How far has that work gone? I understand that a guidance note was in preparation for use by DFID staff on how to engage with faith groups. I would be grateful if the Minister

[Alistair Burt]

could tell us how far that has got, with which groups the Department is involved, and when they will be able to see the guidance.

In closing, I wish to quote Archbishop John Sentamu, who said:

"The church...does not drive in to places of strife in the morning and leave before the lights go down. The church remains as part of the community, and where there is hurt, the church shares that hurt, is part of it and is hence uniquely placed to be part of the solution."

I ask the House to recognise the immense work done by people of faith in Africa, to support them, and to ensure that as many as possible are brought to the table when development proposals are being discussed, so that they feel an integral part of the development needs of the countries in which they serve so selflessly.

9.23 pm

Christine Russell (City of Chester) (Lab): We have heard some excellent contributions tonight from Members on both sides of the House. Time is not on my side, so I shall concentrate on one issue—the complete lack of progress in many African countries towards achieving the fifth millennium development goal on maternal health.

Across the world, on average one woman a minute dies in childbirth. The total of that awful statistic is 500,000 women every year. Indeed, that is probably an under-estimate, because in many countries no accurate figures are kept. Of the 20 countries with the highest rates of maternal mortality, 19 are in sub-Saharan Africa. MDG5 has two targets. The first is to reduce by three quarters, by 2015, the number of maternal deaths. The second is to provide universal access to reproductive health services. So little progress has been made in so many African countries in the last two decades that the situation is getting worse in some countries.

A couple of Members have highlighted Sierra Leone tonight. That country has the worst record for maternal mortality. In Sierra Leone, one in six women—a staggering statistic—is at risk of death during pregnancy or in childbirth. In northern Europe, the figure is one in 30,000. We have to consider the wider context. Such a death is not just a human tragedy for the woman and the children in her family. It has economic consequences.

In Africa, two thirds of the transport is done by women, not by trucks or planes. Women carry goods from A to B. It is mainly women who tend the crops and provide 80 per cent. of the food. Women are the breadwinners in a third of all households in sub-Saharan Africa. My message is that Africa cannot afford to lose 500,000 capable hands every year.

Why is that happening? I can quickly give four reasons. First, there is a lack of trained health care assistants. One in four women in Africa give birth having never seen a health professional at any point during their pregnancy. Secondly, across Africa women have no access to family planning services or safe abortions. Complications from unsafe abortions kill 14 per cent. of women who die. The next contributory factor, which has been mentioned tonight, is the prevalence of HIV/AIDS in many developing countries. A third of women in those countries are infected with HIV and, of course, women who are infected with HIV are five times more likely to die in childbirth. Last, but certainly not least, is the low status of women in many African countries and, I must say, the abject failure of the Governments to give any priority to women's rights and to improving women's access to free and affordable antenatal care.

As other Members have mentioned, as well as a lack of political will in developing countries there has been a lack of political commitment to making progress on MDG5 in the international community. I pay tribute to our Government, our country and DFID. We have given at least £50 million towards maternal health programmes.

The hon. Member for North-East Bedfordshire (Alistair Burt), who is no longer in his seat, has just mentioned the key role of British NGOs. They, too, have led the way. Save the Children, Oxfam and this year's Comic Relief all need to be congratulated. They have all brought the need for better and safer motherhood programmes into the public arena.

What more can we do? First, many of the countries with the highest maternal mortality are in the Commonwealth. I see the hon. Member for Macclesfield (Sir Nicholas Winterton) has returned to his seat, and those of us who are on the CPA executive should propose that the British branch should organise and host a high-level seminar on the subject of the lack of progress on MDG5.

Secondly, there is still more that we can do to assist the training of health professionals—certainly midwives—in Africa. We give our academics a sabbatical year, so why do we not at least consider giving a sabbatical year to our NHS staff—or to those who are able to take one—so that they can go to Africa and pass on their skills and expertise?

Andrew Stunell: The hon. Lady is making an attractive proposition. I wonder whether she is aware that it is a requirement of medical training in Switzerland that a year is spent overseas on exactly that kind of project.

Christine Russell: That sounds like a splendid idea, and I will certainly point the Secretary of State for Health in that direction. My second suggestion would offer a very good way for us to transfer skills and knowledge to the developing world.

My final point is that the UN can and certainly should do more to co-ordinate international efforts. There is far too much fragmentation among the UN agencies, and they need a much clearer focus on improving maternal health. I have been sitting here doing some sums during the debate. It commenced at 4.15 pm, and by the time that it concludes in 30 minutes' time, 400 more women will have endured an agonising death in childbirth somewhere in Africa. That must not go on in the 21st century. As the leaders of the G20 are meeting in London, perhaps as well as considering and taking forward a concerted plan of action to tackle the global financial crisis, they should agree a concerted plan of action to make progress towards the achievement of millennium development goal No. 5.

9.31 pm

Mr. David Drew (Stroud) (Lab/Co-op): I shall be very brief, to give the hon. Member for North Southwark and Bermondsey (Simon Hughes) at least a few minutes to say something. I heard the speech on Darfur made by

my friend, in this respect, the hon. Member for Buckingham (John Bercow). I intend not to cover the same ground, but to talk about Sudan for three or four minutes, because Darfur is not the totality of Sudan.

This is an absolutely key year in the great country of Sudan, which has the largest land mass and the sixth largest population in Africa. Later this year, in July, elections are supposed to start that will lead to the referendum on whether the north and the south finally split in 2011. It is vital that those elections take place according to a proper timetable, and that we in the UK and the west give sufficient support to ensure that they take place and are properly monitored, so that we can get the best possible result—an outcome that is fair and proper.

The country has a number of difficulties at the moment. We have heard about Darfur from a number of hon. Members; but of course, tensions exist between the north and the south. Much of that tension is to do with the failing price of oil, which brings with it much peril to Sudan's population, because people have become dependent on that money. I should like to say that we in the west have a proud record in being willing and able to provide foreign aid to support those oil moneys. I exonerate the Government of this country, but too often, sadly, the promises that have been made—in Oslo, for example—have not been delivered, and Sudan has therefore failed to have sufficient resources to do what it needs to do to bring some stability and peace to that bedevilled country.

My plea, which goes via the DFID Minister and to the Foreign Office, is that we do what the people of Sudan always ask us to do—not to lose sight of them, given all the other great tragedies of the world. As the hon. Member for Macclesfield (Sir Nicholas Winterton) so clearly laid out before us, Zimbabwe brings its own tensions to Africa and the wider world, but when we go to Sudan, we are always requested to remember that, too often, it slips down the agenda. This is the year more than any other when our eyes and—dare I say?—our budgets should be concentrated on ensuring that that country, which has had so many problems not least in Darfur, has a chance to move forward after so many years of conflict. I for one will hold the Government to account, and I hope that other parliamentarians will do likewise, to ensure that we play our part and that the great country of Sudan can do what is needed with the elections, and subsequently the referendum.

9.35 pm

Simon Hughes (North Southwark and Bermondsey) (LD): It is a privilege to take part briefly in this debate, and I am grateful to the hon. Members for City of Chester (Christine Russell), and for Stroud (Mr. Drew), for making shorter speeches than they might have done, to allow everyone who wanted to say a word, including me, to do so.

I apologise to the Under-Secretary of State for International Development, the hon. Member for Bury, South (Mr. Lewis), for not having been here at the outset of the debate, but I had commitments outside the House, one of which was directly relevant to the debate. I was at a memorial service in St. Mary le Strand for someone whom I have known since we were both teenagers, Kari Blackburn Boto. After a great university career, Kari went on to become the head of the BBC World Service's Swahili service and of its Africa service, and was in charge of Africa and middle eastern services for the BBC. She died tragically, and in a very untimely way. The many people gathered with her family today were there to pay tribute to Kari, and to what the BBC World Service has done for Africa over the lifetime of all of us in the Chamber.

Kari, a white British woman who married a Ugandan, had a fantastic mixed-race family, including an adopted Ugandan son. She stood for developing the role of women in journalism in difficult communities, such as in the Muslim communities of Africa, and encouraging them to take leadership positions. The reputation of independent and impartial broadcasting played a hugely important part in the development of democracy, the understanding of the need for education, and the political processes of Africa. It was a timely coincidence that this debate was held on the same day as the service. Today would have been her 55th birthday. One of her sons was in the Gallery earlier, listening to this debate.

People such as Kari understand that Africa is a hugely complex and varied continent. I think that my borough has more African constituents than any other in Britain; my colleagues the right hon. and learned Member for Camberwell and Peckham (Ms Harman) and the right hon. Member for Dulwich and West Norwood (Tessa Jowell) and I have dealings with huge numbers of people from west Africa—Sierra Leone, Nigeria and Ghana. I pay tribute to those people for the contribution that they make in this country, but also for the way in which, as we have heard, they send remittances back. They become engaged in the issues, and go back and work for democratisation. Those from Sierra Leone, a community that has suffered so much, have tried to give back a huge amount.

I make a plea to the Government on behalf of people in this country who are of African descent, including people from Zimbabwe, who have been referred to by Members on both sides of the House. When people come here from Africa, particularly from Commonwealth countries, with which we have so much common heritage, we should understand our obligation to look after them well. We should give them the opportunity to work while they cannot go home, so that they can contribute to the country from which they have come while they are kept away from it.

There are many charities—my friend the hon. Member for North-East Bedfordshire (Alistair Burt) referred to many of them—that do wonderful work in a collaborative way, in which people from Africa and people from this country work together. They include small charities such as XLP, which set up a secondary school in northern Ghana, and large charities such as WaterAid, which does such wonderful work in making sure that the risks resulting from environmental changes do not take an even more severe toll.

There are many other issues to think about after having heard such excellent contributions, but I end with two very simple points. Elections are coming up in South Africa; they will take place in just a few weeks' time. It is really important for the new Administration in South Africa to rise to the challenge of its continental responsibilities. It is important for it to carry on raising awareness, through the enlightened policy that it has recently adopted for dealing with HIV/AIDS. That

[Simon Hughes]

must be continued, not the benighted policy that it had before. It must work really hard to curb the violence and lawlessness that can so undermine the spending that needs to take place on utilities, housing and education.

Finally, the hon. Member for Banbury (Tony Baldry) generously mentioned that he and I had attended the UK launch of the network of parliamentarians across the world whose aim is to support others in conflict prevention and human security. As we meet on the eve of the G20, I hope that the Ministers on the Front Bench, our Prime Minister and the other leaders will pay heed to the communiqué issued at the end of that launch conference, which made it clear—for the great lakes region, the Democratic Republic of the Congo and others it is central—that conflict prevention saves money as well as saving lives, and that the ratio of £2,000 on defence budgets compared with £1 on conflict prevention budgets needs to be changed. I hope that we shall see a new priority for Africa, not only in Africa but also in the policies of the Government at home.

9.40 pm

Mr. Mark Lancaster (North-East Milton Keynes) (Con): It is an honour to wind up this timely and informative debate. There is a proverb from the Kanuri region of Nigeria: the pillar of the world is hope. If I had to sum up the mood of the debate in a single word, it would be one of hope.

As we have heard, Africa continues to face not just economic challenges, but others such as disease, conflict and corruption, all of which might divide the continent. However, despite these pressures, the one thing that continues to unite Africa, as I have been fortunate enough to see for myself over the past two years during visits there, is a genuine sense of hope for the future. Sadly, hope these days is not enough, so I am pleased that the one thing that has been underlined in today's debate is the strong message from both sides of the House that there is a clear determination to do all we can to support Africa in finding an African solution to the many challenges that the continent continues to face.

My hon. Friend the Member for Mid-Norfolk (Mr. Simpson) clearly outlined in a powerful opening speech the five principles that we on the Opposition Benches believe should underpin British policy in our efforts to support the continent. I shall start with a few words on our progress in achieving the millennium development goals mentioned by several speakers—the hon. Member for Crosby (Mrs. Curtis-Thomas), who focused on the failure to achieve the MDGs in Sierra Leone, my hon. Friend the Member for Banbury (Tony Baldry), who was rightly concerned about progress across Africa in achieving those goals, and the hon. Member for City of Chester (Christine Russell), who highlighted her concern at the lack of progress in achieving MDG 5.

In signing up to the goals nine years ago, the UK made a commitment, as part of the international community, to

> "spare no effort to free our fellow men, women and children from the abject and dehumanising conditions of extreme poverty."

In essence, we agreed that through those eight goals, we would work tirelessly to address the key issues holding back development in the world, particularly in Africa. The millennium development goals offer hope to many millions of people across the world. Although progress has been made, now that we have passed the halfway point in time, it is clear that much more needs to be done.

A few weeks ago the Secretary of State for International Development said that owing to the "financial tsunami" sweeping across the world, the achievement of the millennium development goals could be pushed back by three years. Two weeks ago I visited the International Monetary Fund in Washington, and the message there was equally clear—that despite overall progress towards the goals, it was likely that the world would still fail to meet its commitments, and that Africa, and in particular southern Africa, would fail to reach the MDGs by 2015.

To underline that, the 2008 Africa Progress Panel's report gave a clear assessment of what still needs to be done when it said:

> "Right now, 33 million children in Africa of primary school age are not in school. Some parts of Africa continue to experience high levels of conflict. About 300 million Africans do not have a reliable supply of clean drinking water, and 450 million do not have access to proper sanitation."

In addition, figures suggest that 12 out of the 13 countries with the highest maternal mortality ratio are in Africa, and that about 41 per cent. of Africans are still living on less than $1 a day.

It is evident that Africa is struggling, but why does it continue to struggle? Contributions from hon. Members highlighted some of the continent's failings, but it is time we owned up to our own mistakes, learned from our failures and promised that in future we will live up to our commitments. That is why the Opposition support the United Nations target of spending 0.7 per cent. of gross national income on international development by 2013. In his opening statement the Foreign Secretary referred to 0.7 per cent. of gross domestic product, so I hope the Minister will clarify the point when he winds up.

The Government are always keen to trumpet how much they are spending, but we firmly believe that we should gauge success not only by input but by output, and we encourage the Government to be equally forthcoming about what has been achieved with the money spent. Clearly, the hon. Member for Crosby shares that view; she was frustrated at the failure of her parliamentary questions to get to the bottom of what has been achieved with the UK's shares of funds given to the various multilateral organisations.

Of course, some of Africa's countries have enjoyed greater success than others, and it would be unjust to suggest that all are failing. In a wide-ranging speech, the hon. Member for Hazel Grove (Andrew Stunell) highlighted many of the continent's successes. Botswana's governance and economic growth have been outstanding, for example. Furthermore, as was mentioned, Ghana recently held presidential elections and enjoyed a peaceful transition of power; as we have discovered, it is proud of the fact that it has three living ex-Presidents. There is also Rwanda, a country that I have got to know well. Despite its recent appalling past, it continues to progress under President Kagame. However, it is worrying that

the stark assessment of the World Bank is that the very African countries that have made most progress by engaging with the developed world will be the first to feel the chill of the global economic downturn.

Many hon. Members raised cases of hope and issues of concern from across the continent during the debate. The hon. Member for Sunderland, South (Mr. Mullin), who is not in his place, gave an informed speech, reminiscing about his time as a Minister at the Department for International Development and the Foreign and Commonwealth Office; I sensed that it was the unwritten eighth chapter of his book, "A View from the Foothills", which is available from all good bookshops. The hon. Gentleman made some interesting points about food security and the increasing role of China in Africa.

My right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) gave a powerful speech focusing entirely on trade, and highlighted the challenges facing the G20 later this week. He warned of the dangers of protectionism and highlighted the problems of internal trade barriers in Africa and the fear that many poor African countries run the risk of falling behind their neighbours.

The right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) spoke with great eloquence, focusing on concerns across the House about President Bashir's expulsion of the aid agencies from Sudan, and the ongoing issues in the Democratic Republic of the Congo. The right hon. Member for Walsall, South (Mr. George) spoke about the need for good governance and the devastating effect that a series of failed states has had on the development of progress on the continent. The right hon. Member for Gordon (Malcolm Bruce) spoke with great experience and authority, as one would expect from the Chairman of the International Development Committee, about the Committee's recent visit to Kenya and the encouraging signs that its members found for sustainable development—not least the low-carbon produce. He also spoke about the parliamentary reform being carried out in Tanzania; having been there for the presidential elections in 2005, I found that deeply encouraging.

Perhaps the greatest hope came from the two contributions about Zimbabwe. For 38 years my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) has highlighted his concerns about the country. Although, like the political scene, the economic situation there remains bleak, it seems to be stabilising following the introduction of the US dollar. Prices of goods bought in US dollars have fallen by 3 per cent. since January. The hon. Member for Vauxhall (Kate Hoey), the chairman of the all-party group on Zimbabwe, rightly paid tribute to our high commissioner and staff; I had the privilege of meeting the high commissioner during his previous tenure in Tanzania.

The hon. Member for Ilford, South (Mike Gapes), the Chairman of the Foreign Affairs Committee, spoke with great authority about several southern African states, highlighting human rights abuses. My hon. Friend the Member for Buckingham (John Bercow) has been a strong and consistent voice in the House on the subject of Darfur. Reinforcing the message of my hon. Friend the Member for Banbury, he eloquently highlighted the humanitarian crisis that continues to engulf the region, and made the moral and practical case on why more must be done. The hon. Member for Hastings and Rye (Michael Jabez Foster) focused on his constituency links with Sierra Leone; my constituency, too, has such links through its excellent organisation, the Olney-Newton Link.

My hon. Friend the Member for North-East Bedfordshire (Alistair Burt) spoke from great experience and underlined the excellent work being carried out by many faith-based agencies such as World Vision, which happens to be based in my constituency. The hon. Member for Stroud (Mr. Drew) spoke with authority about Sudan. I thoroughly enjoyed my visit to that country with him a couple of years ago.

I congratulate the Minister on the high percentage of DFID's bilateral aid that is directed to Africa—although I hope that last year's underspend on the continent will not be repeated this year, or, indeed, become the norm in these tough economic times.

I started on a positive note, and I would like to end on one. Africa's poverty levels have dropped by 6 per cent. since 2000, and the Africa Progress Panel suggests that if we continue to build on the work that is being done, the percentage of Africans living in absolute poverty will have dropped from 46.7 per cent. in 1990 to 31.4 per cent. in 2015. Between 1999 and 2005, primary school enrolment across the continent has increased by 36 per cent. Africa has made progress, but we in the international community must do more.

We have had an excellent and historic debate—the first in this Chamber dedicated to Africa as a continent, and opened by a Foreign Secretary, for 17 years. At a time when the continent faces some of its greatest ever challenges, I am sure that the whole House will agree that we cannot allow another 17 years to pass before we debate Africa again.

9.50 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Ivan Lewis): This has been an excellent debate that has demonstrated the deep passion and knowledge about Africa in all parts of this House; in that respect, I agree with the hon. Member for North-East Bedfordshire (Alistair Burt). The debate takes place against the background of a global recession that will affect the poorest most and undermine the remittances, markets and growth which together have fuelled much of the progress that many African countries have made in recent years.

Once again, the awesome dual responsibility of being both the conscience and leader of the international community in relation to the rights and needs of developing countries falls to Britain as we host the G20 in London this week. In 2005, at Gleneagles, Tony Blair and the then Chancellor persuaded world leaders that Make Poverty History, a mass movement for change, had to become the political mission of a 21st-century fair and prosperous world. Now, once again, it is our Prime Minister who is insisting that the voices of Africa and of the poor are heard by those around the top table in London at the G20. He invited African leaders and Finance Ministers to London a fortnight ago so that he could meet them face to face, hear first hand about the impact of the recession, and understand the decisions that are necessary to protect the poor and maintain the growth that is so essential not just to poverty reduction but to political credibility and social stability. It is he

[Mr. Ivan Lewis]

who urged the World Bank to create a vulnerability fund that will protect the poorest in the short term; he who will seek to ensure that IMF and World Bank reform reflect the needs of the developing world; and he who will seek agreement to ensure that we begin the process to complete Doha so that fair trade, not protectionism, is our response to the current economic crisis.

It is right that today and every day we reiterate our commitment to spend 0.7 per cent. of gross national income on aid. As the Prime Minister has said, now is not the time to retreat from our commitment to achieving the millennium development goals. Now is the time for every developed country to step up to the mark, fulfil its responsibilities, and keep its promises on aid. We should do so because social justice is not just about the life chances of kids in London, Manchester and Birmingham —it is about the dreams and aspirations of the children I have met recently in a Kampala youth centre, in the refugee camps around Goma, and among the AIDS orphans of South Africa.

To believe in social justice in Britain is to believe in global social justice. But we should also learn from the economic shock of the past six months that global interdependency is not a question of ideology or of the future—it is today, here and now, a reality. A fairer world is not just some idealistic pipe dream—it is also about our self-interest. Our growth and our security are affected by the political, economic, social and security environment in Africa. We can win the war against climate change only if we work in partnership with Africa and the developing world. In these difficult times, we must demonstrate leadership in our dialogue with the British people, and alongside strengthening pride in our national identity and helping people and businesses through, explain why investing in Africa is ultimately good for Britain too.

We should be frank about both the achievements and the challenges. Africa, with our support, has made real progress, but there remain serious concerns: recent political developments in Zimbabwe, Kenya and Madagascar; appalling violence in places such as eastern DRC and Somalia; still too much corruption in countries where political and social elites steal resources for the few that are meant for the benefit of the many; and, for too long, denial in South Africa about the scale and nature of the HIV/AIDS epidemic, which has killed so many so unnecessarily.

I want to turn to the contributions made during the debate. The hon. Member for Mid-Norfolk (Mr. Simpson) is clearly born to rule, and he has not been attending the modernisation conference that has been put on by the Leader of the Opposition in recent times. It is important that the hon. Gentleman makes it clear whether the Opposition would retain an independent Department for development, run by a Secretary of State, in the Cabinet. [HON. MEMBERS: "He did!"] I do not believe that he cleared that up during the course of this debate. *[Interruption.]* I agree with the hon. Gentleman— *[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order.

Mr. Lewis: I agree with the hon. Gentleman about the importance of a joined-up approach in the horn of Africa. He also raised an important issue when he talked about the strength of MONUC forces in the Democratic Republic of the Congo, although we should all welcome the change in the political dynamic that has led to Rwanda, DRC and Uganda working together politically and from a security point of view.

The hon. Member for Hazel Grove (Andrew Stunell) raised the question of our commitment to health services and the fight against HIV/AIDS, malaria and tuberculosis. We are making an unprecedented commitment of £1 billion to the global fund from 2008 to 2015, and we will make £6 billion available to fund the building of health systems, which are crucial if we are to have the front-line health services that people desperately need. The hon. Gentleman asked about the impact of the recession on our commitments. The Prime Minister has made it clear that our commitments to the 0.7 per cent. figure for the developing world remain as strong as ever.

My right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) and the hon. Member for Buckingham (John Bercow) raised the question of the situation in Darfur and Sudan, and their points were excellent and made passionately. The joint assessment of the humanitarian situation causes us great concern; now is the time for the international community to act. We call, of course, on the Government of Sudan to reverse their decision to expel the non-governmental organisations, which was totally unacceptable, and we stand firm in our commitment to support the comprehensive peace agreement process, which is the only hope for the future of Sudan and Darfur. Those expulsions were unhelpful, regrettable and totally unacceptable, and we call for them to be reversed. Simultaneously, we need to ensure that humanitarian assistance is provided as a matter of urgency.

My hon. Friend the Member for Chris Mullin— *[Laughter.]* I am trying to promote his book, like everybody else. My hon. Friend the Member for Sunderland, South (Mr. Mullin), no doubt speaking from the foothills, expressed concern about the commitment to African conflict resolution. The Foreign Secretary made the important point that the rise in assessed contribution for the UK is more than the reduction in discretionary contributions.

My hon. Friend the Member for Crosby (Mrs. Curtis-Thomas) raised the question of the effectiveness of aid, and she is absolutely right, whether we are talking about Sierra Leone or elsewhere. I will visit Sierra Leone in the next few days and I will take account of my hon. Friend's points when looking at the difference we are making there, but the UK's intervention and the subsequent aid that we have provided has made a tremendous difference to the progress made in that country from a very poor baseline.

The hon. Member for Macclesfield (Sir Nicholas Winterton) rightly raised the question of Zimbabwe. He has been a consistent champion of the people of Zimbabwe, who have faced dire consequences on account of the behaviour of the Mugabe regime. We support the new Prime Minister. We hope that the new Government will be able to make progress on human rights and economic reform, and we stand ready to help. But it has to be demonstrated to us that the Government there are serious about changing the policies that have done so much damage to the people of Zimbabwe.

My right hon. Friend the Member for Walsall, South (Mr. George) talked, quite rightly, about the importance of good governance, democracy and transparency to

the improvements that we seek in Africa. The distinguished Chairman of the Select Committee on International Development, the right hon. Member for Gordon (Malcolm Bruce), spoke about his recent visits and the lessons that he has learned, which he brought to this debate. It is important to make the point that those visits often inform our views in a far more powerful way than abstract discussions.

My hon. Friend the Member for Vauxhall (Kate Hoey) talked about the situation in Zimbabwe. The hon. Member for Banbury (Tony Baldry) was right to draw attention to the importance of the right to protect. My hon. Friend the Member for Ilford, South (Mike Gapes) was right to raise concerns about the situation in Swaziland, and my hon. Friend the Member for Hastings and Rye (Michael Jabez Foster) was right to focus on the importance of twinning relationships between schools and fair trade organisations in making a difference.

The hon. Member for North-East Bedfordshire (Alistair Burt) was right to point to the central role of faith in many African countries. We need to engage in a positive way with the contribution that faith has to make, both in this country and in those countries. My hon. Friend the Member for City of Chester (Christine Russell) was right to say that the lack of progress that we have made on maternal mortality is scandalous, as is the impact that it has on African countries. We are working very closely with organisations such as the White Ribbon Alliance, and Sarah Brown has taken a leading role in that. We want to see the international health organisations—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Business without Debate

INTERLEAVING OF BILLS AND EXPLANATORY NOTES

Resolved,

That this House approves the First Report of the Procedure Committee (House of Commons Paper No. 377).—*(Mark Tami.)*

BUSINESS OF THE HOUSE

Motion made,

That, at the sitting on Tuesday 21 April, notwithstanding Standing Order No. 20 (Time for taking private business) the Private Business set down by the Chairman of Ways and Means shall be entered upon (whether before, at or after 7.00 pm), and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business.—*(Mark Tami.)*

Hon. Members: Object.

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

FAMILY PROCEEDINGS

That the draft Access to Justice Act 1999 (Destination of Appeals) (Family Proceedings) Order 2009, which was laid before this House on 25 February, be approved.—*(Mark Tami.)*

Question agreed to.

ADMINISTRATION

Ordered,

That Mr Simon Burns be discharged from the Administration Committee and Alistair Burt be added.—*(Mr. Frank Roy, on behalf of the Committee of Selection.)*

Dr. Andrew Murrison (Westbury) (Con): On a point of order, Madam Deputy Speaker. At 2 o'clock this afternoon we learned that the Senior Salaries Review Body was recommending a 2.3 per cent. pay rise for Members of Parliament, yet the Armed Forces Pay Review Body's report has been sitting with Ministers for weeks without an announcement having been made. It is simply not acceptable for MPs to know their pay award while the men and women serving on the front line do not know theirs. Has a Minister applied to you for leave to come to the House to explain the report and what he plans to do about it?

Madam Deputy Speaker (Sylvia Heal): I have received no notification or request from any Minister, but the hon. Gentleman's comments are now on the record.

PETITIONS

Immigration (Tony Lola)

10.1 pm

Mr. John Leech (Manchester, Withington) (LD): I wish to submit a petition on behalf of more than 2,000 people who are campaigning against the deportation of my constituents Tony Lola and his mum, Mireille, back to the Democratic Republic of the Congo. The petition has my full support and states:

The Petition of persons concerned at the Government's decision to refuse Tony Lola's application for asylum,

Declares that over Christmas 2005, Tony Lola, then aged 6, was being held in custody by police in the Democratic Republic of Congo; notes that his parents had objected to the politics of the governing party; further notes that soon after, Tony was released but because he was felt to be at risk, he was sent to join his mother, Mireille, who had fled the DRC in 2002; further declares that, since his arrival, Tony has amazed and delighted those in the community he has joined at Didsbury CE Primary School and in the congregation at Emmanuel Church, Didsbury; further notes that he is fully integrated and participates with evident enthusiasm in his studies and activities at both the school and in the church; believes that he shows real potential to develop his already impressive talents to the benefit of the whole community; further notes that in 2007, his application for asylum was turned down by the Home Office as HM Government believes the situation in the Democratic Republic of Congo does not pose a threat to Tony or Mireille; and further declares that he and Mireille are now at risk of removal back to DR Congo.

The Petitioners therefore request that the House of Commons urges the Government to review its decision and the Home Office to use their powers of discretion and allow Tony and Mireille to stay.

And the Petitioners remain, etc.

[P000340]

Sea Defences (Essex)

10.4 pm

Bob Spink (Castle Point) (Ind): The massive petition, supported by thousands of people, shows the strength of feeling of Canvey residents against the Environment

[Bob Spink]

Agency plan to flood a large section on the west of Canvey Island. The Environment Agency wants to do that to reduce flood risk along the Thames corridor and provide tidal habitat, as required by the European Union. At least it is now starting to consult Canvey residents, as I demanded, and the consultation commences tomorrow. I think that it will find that sacrificing part of Canvey Island is totally unacceptable, and rejected by Canvey people. If necessary, I will personally stand defiant in front of the diggers to protect Canvey people from the disastrous scheme.

I am delighted that so many people have joined my Stop Canvey Flooding campaign, and I congratulate and thank each one who signed the position. They are all stars.

The petition states:

The Petition of Councillor Dave Blackwell, Canvey Island residents, and others,

Declares that the Environment Agency proposal to abandon to the sea 800 acres of land on the west of Canvey Island is wrong. Sacrificing such a large ecologically and environmentally important area could increase Canvey's problems. Canvey issues, such as flooding, building 1,000 more houses, an additional Canvey access road, hazardous industrial plants and protecting Canvey's very special environment, are interlinked. These should be considered together as they affect island people's future safety and quality of life.

The Petitioners therefore request that the House of Commons urge the Government to abandon its plans to flood such a large area of Canvey Island and to meet the hon. Member for Castle Point, Councillor Dave Blackwell and Canvey councillors to discuss their plans.

And the Petitioners remain, etc.

[P000341]

Tsunami Memorial

Motion made, and Question proposed, That this House do now adjourn.—(*Mark Tami.*)

10.5 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): I am especially grateful to have the opportunity this evening to remind the House of one of the deadliest natural disasters ever recorded in history—the Asian or Boxing day tsunami of 2004. Resulting from an undersea earthquake with its epicentre off the west coast of Sumatra, the sudden explosion, with a power estimated by the US Geological Survey to be the equivalent of 23,000 Hiroshima-type atomic bombs, caused the entire planet to vibrate. The resulting tsunami, despite travelling for hours, impacted on the coastal areas of Indonesia, Sri Lanka, India and Thailand with devastating force, as well as causing fatalities as far apart as Somalia and South Africa.

For many of us, the horror of what was happening became clear over the following days and weeks, and I suspect that the memories of the sheer devastation will remain with us for the rest of our lives. As ever, the generosity of the British public, led by the Government, was quickly evident and we made a significant contribution to the $7 billion that was donated in humanitarian aid worldwide.

For the 1.7 million who lost their homes and their livelihoods—some 90 per cent. of all those living and working around the coast—the aid has made a considerable difference. Moreover, the setting up of an early warning infrastructure in the Indian ocean, promised by the United Nations, will bring a greater sense of security to some incredibly poor people. What cannot be compensated for, of course, is the estimated 230,000 people in 12 countries, a third of them children, who perished in the tsunami. Among those killed on 26 December 2004 were 9,000 foreign tourists, mostly Europeans, including 151 British citizens. Approximately 850 British citizens were injured in the Tsunami, and some remain severely disabled.

There was considerable criticism of the support given by the Foreign and Commonwealth Office to survivors and to relatives whose loved ones were missing. Initial response teams were sent to Sri Lanka, whereas most UK citizens were in Thailand; emergency response lines to the UK were inadequate; British casualties were among the last foreign visitors to be contacted in hospitals; and the National Audit Office report, which examined those claims, recommended sweeping improvements. Unlike for the 7 July bombings, no funds were specifically allocated to support British families, some of whom have lost their main income providers.

However, the focus of the debate tonight is not the handling of the disaster, but the failure after four long years to resolve, build and dedicate a permanent memorial to the British citizens who lost their lives so tragically in 2004. For all those families who lost relatives in the tsunami, such a permanent memorial is tremendously important, but for the families whose loved ones have never been found—there were six—and who have no focal point to pay their respects, a permanent memorial is absolutely essential.

Sarah Bent was just 19 when she and her friend Robert Rowbottom, both students from Yorkshire, set off on what was to be the adventure of a lifetime in 2004.

They were staying at Koh Phi Phi in Thailand and were enjoying the fabulous hospitality that Thai resorts have to offer when the tsunami struck. The Christmas day call home to say that they were having a fabulous time was the last communication that their parents had with them. Four years later, Sarah and Robert's remains have never been found and we can only speculate about the sheer pain that their parents, relatives and friends must still be going through. In all, six bodies of UK citizens have never been recovered. It is to give those families some comfort that I am urging the Minister to act more decisively over the decision to identify a site and to commission and fund a permanent memorial to the tsunami victims.

Let me make it absolutely clear to the House that I do not accuse the Government—and certainly not the Minister—of a lack of interest or an unwillingness to see a permanent memorial in place. However, it is clear that without a greater sense of urgency and leadership, the resolution of the issue will simply drag on. It would be unacceptable if this Parliament came to an end without the matter being resolved.

It is of course difficult to make a comparison with the Government's speed of reaction in other tragedies, but it is worth noting that in the case of the July 2005 London bombings, £1 million was donated by the Government. In addition to plaques at each of the locations of the five bombings, 52 three-metre tall stainless steel pillars will be erected in Hyde park and unveiled on 7 July this year. A sculpture at Clive steps opposite St. James's park with the names of all those who died in the Bali atrocity in 2002 was unveiled four years later, at a cost of £300,000, £100,000 of which was donated by the Foreign and Commonwealth Office. A memorial to commemorate those who lost their lives in the 2001 terrorist attack on the World Trade Centre in New York was opened in Grosvenor gardens two years after the event at a cost of £500,000, paid for by the Government.

The fact that those memorials and others commemorating the lives of the Queen Mother and Princess Diana have been progressed swiftly and efficiently by the Government is, I believe, evidence of good intent by Ministers, so why has there been no resolution on the tsunami memorial? First, there appears to be confusion over the amount of money made available by the Government and other donors and a lack of debate over whether the reported £500,000 offered by the Government is sufficient to meet the aspirations of Tsunami Support UK. Secondly, there is confusion over possible locations, with, it seems, the royal parks being ruled out without proper explanation. Thirdly, the possibility of a permanent memorial plus a major exhibition about the tsunami at the Natural History museum appears to have first won favour, but then been put on the back burner without explanation. Above all, however, there appears to be an almost complete lack of face-to-face discussions among Ministers, members of Tsunami Support UK and the board of the Natural History museum, which has led to suspicion and a lack of understanding about what is and what is not being proposed. This debate is an opportunity for the Minister to spell out clearly where the obstacles to a permanent memorial lie, and what the Government are prepared to do to resolve them and in what time frame.

The relatives of tsunami victims were initially offered a choice of three sites, including Victoria Tower gardens and the Natural History museum, although I suspect that many would have preferred a permanent memorial in a royal park. Can the Minister explain why the royal parks became off limits and why the original choice of sites was made? There appeared to be considerable support for the Natural History museum, where the link with natural disasters could be made, particularly if an exhibition could be mounted explaining how the 2004 Asian tsunami affected the world and why it is important in an era of global warming and rising oceans to protect natural low-lying shore lines. However, it now appears that the board of the Natural History museum is not only ruling out a permanent outdoor memorial for what it says are "insurmountable" reasons, but is now holding the Government to ransom over a small indoor exhibition. Could the Minister confirm the Government's support for a permanent outdoor memorial on the site of the Natural History museum, and if so, can she explain what the "insurmountable" problems are with placing such a permanent memorial on what is, after all, a public space?

I trust that the Minister would accept that an indoor memorial, particularly one that could not be accessed on 26 December each year, would hardly be acceptable to the relatives or the victims, many of whom might wish to visit the memorial on the anniversary of the tsunami. If she agrees with that, will she make clear the Government's support for an outdoor permanent memorial, irrespective of whether the Natural History museum agrees to mount an exhibition as part of its existing gallery entitled "The Power Within"? The proposal by the board of the museum to mount an indoor plaque as a permanent memorial is surely unacceptable to the Government.

Let me seek some assurances from the Minister over the proposed exhibition at the Natural History museum. There is little doubt about the value of an indoor exhibition in drawing public attention to the 2004 tsunami and explaining such phenomena. A year ago, the museum appeared to be enthusiastic about such a proposal. Now, the response is at best lukewarm, with support for work on the Darwin centre seeming to take precedence. Will the Minister explain what discussions she has had with the museum about the tsunami exhibition and tell the House whether she is satisfied that the change of heart is justified, considering the pain and suffering already being felt by families who will see this prevarication as deeply unjust?

Finally, may I return to the inevitable issue of cost? As I understand it, the Government have allocated £500,000 to erect and maintain a permanent memorial and to cover any other costs, including a possible exhibition at the Natural History museum. Clearly, when the original sum was agreed, the possibility of an additional exhibition was not envisaged, and it seems deeply unjust to expect all the costs of an exhibition and a permanent memorial to be covered by the initial allocation. What steps has the Minister taken to obtain a more accurate estimate of the costs for the outdoor permanent memorial and for the exhibition, and what plans does she have to increase funding to ensure that the tsunami victims are remembered with appropriate dignity?

I fully accept that this is not an easy matter to resolve, but after four years, resolved it must be. The Minister is ideally placed to bring this matter to a just conclusion. If she does so, she will have the lasting gratitude of the relatives of the 151 UK citizens who perished on Boxing

[Mr. Phil Willis]

day 2004. In particular, she will have the deep gratitude of the parents of Sarah and Robert, who saw their children go off on an adventure from which they never returned.

10.17 pm

The Minister of State, Cabinet Office (Tessa Jowell): I thank the hon. Member for Harrogate and Knaresborough (Mr. Willis) for raising this issue with such passion, and for keeping alive the memory of those terrible events. I hope that, in the time available, I shall be able to answer his many important questions, which have an audience beyond this Chamber.

As the hon. Gentleman said, the Indian ocean tsunami was unprecedented in its scale. The waves killed some 300,000 people, including 151 British citizens. Millions more were left without food, homes and livelihoods, and hundreds of British nationals returned home seriously injured and traumatised to the extent that their lives would never be the same again. As the hon. Gentleman so poignantly said, bereaved families such as the parents of Sarah and Robert were never really able to say goodbye properly to the people they loved.

For a number of years, as Minister for humanitarian assistance, I have had the responsibility of supporting families in the aftermath of terrorist attacks and major disasters. Commemoration—including services of remembrance and, later, memorials—can be absolutely vital in helping people to cope with their terrible grief and sense of loss. That is why I have been working closely with members of the Tsunami Support UK group since 2007 to help them to achieve their aim of establishing a fitting memorial to their relatives and the other British nationals who lost their lives in the tsunami.

Formulating plans for a memorial is necessarily a slow process, and I would ask the hon. Gentleman to understand that. In every case, including 9/11, 7/7, the tsunami and the Bali bombings, the process has mostly been determined by the pace of the families, and their ability to reach agreement about what they want before the memorial is commissioned. As so often, decisions about location and character simply cannot be rushed, as those involved need time to reflect on what the memorial will mean to them individually and then to reach a shared plan for the memorial. At no point has there been a deliberate or inadvertent sense of a loss of urgency about this issue; rather, there has simply been a wish to match the pace of development and the nature of the plan to the wishes—the express wishes—of the affected families.

Because of the exceptional circumstances, there was no obvious place for the memorial in the UK and there were differing views among the families: some wanted the memorial to be in London, others did not; some wanted a quiet place to reflect and remember; others wanted something in a prominent and prestigious location. Our guiding principle must always be to work in close consultation with the families and the survivors. That is what we—my official colleagues in the humanitarian assistance unit and I—have attempted to do in developing the tsunami memorial, too. I met many of the tsunami families in December 2007 and had a number of follow-up meetings with their representatives in 2008, and I also visited the region in preparation for the first year anniversary in 2007.

A number of places were suggested for the memorial, including Battersea park, Victoria Tower gardens and the Natural History museum. These suggestions came from the families themselves; we did not rule out the majority of royal parks—indeed, Victoria Tower gardens is a prestigious park managed by the Royal Parks. Only some suggested locations, such as Kew gardens, were ruled out. We arranged for those who wished to visit the three preferred sites. With Tsunami Support UK, we then consulted all those affected on their preferred location. One hundred and thirty people responded to the consultation letter.

There was overwhelming support for the Natural History museum—a site many see as the best place to educate future generations about the power of nature, and the delicate relationship between humankind and its environment. Since the Natural History museum was chosen as the preferred location, the museum trustees have identified a number of difficulties, which they raised with us. In preparation for this debate, I had a further conversation earlier today with Oliver Stocken, the chairman of the trustees.

The main problems associated with that location include the fact, as the hon. Gentleman said, that the museum does not open on 26 December, which is the anniversary of the tsunami. Some families selected the museum on the condition that they would be able to visit on that day. The museum trustees are willing in principle to look at ways round that, as confirmed by the chairman in my earlier conversation.

As many will know, the museum is hoping to open its new Darwin centre in September, and the area around the centre is being developed. This is the site originally thought to be the right place for the tsunami memorial; but the museum now plans to use this space for multiple purposes, which it feels would be incompatible with the dignified reflective environment appropriate for a memorial. In addition, the limitation on access imposed by the relevant planning consents for the landscaping cause even greater difficulties for access to that area than previously envisaged.

Dr. Michael Dixon, the chief executive, wrote to the Tsunami Support UK chairmen in December 2008, setting out those new obstacles and suggested that it might be better to look for a new site for the memorial. However, the chairmen of Tsunami Support UK were clear that they wanted us to press the Natural History museum to host the memorial. In February I wrote to Oliver Stocken, chairman of the Natural History museum's trustees, urging them to honour their offer.

The trustees discussed the memorial again at their meeting on 24 February, and the chairman wrote to me following that meeting. He informed me that the trustees felt enormous sympathy for the families of victims of this natural world disaster, and remained keen to host the memorial if that was at all possible. He said that, on reflection, the trustees no longer thought that it would be possible to find an appropriate outdoor site for the memorial within the museum grounds, for reasons that I have already outlined. They suggested an alternative: a permanent indoor exhibition on the tsunami, with an associated memorial to those who lost their lives.

I should make it clear that that suggestion was only made at the beginning of March, and is still very much on the front burner. I am aware, however, that it is not what some of the families had originally wanted. We are therefore holding discussions with Tsunami Support UK in an attempt to establish whether the proposal is acceptable to those families. A number of concerns have been expressed about whether the exhibition would take precedence over the plaque or the memorial element.

The fact that the museum does not open on Boxing day remains an issue. I have spoken to Oliver Stocken, who has assured me that if we went ahead with a memorial in the museum, arrangements could be made for the families to visit the memorial on 26 December. However, that would have to be the subject of further discussion, and also to an indication of the number of families who might want to make such a visit.

My officials in the humanitarian assistance unit are hosting the annual general meeting of Tsunami Support UK on Saturday, 4 April. I confirmed this afternoon that a representative of the museum would attend the meeting. It will give the families an opportunity to discuss the new proposal fully, and to raise any further concerns that they may have. Obviously I cannot make any final commitments until after that meeting, which will provide an opportunity for a proper exchange between the families and their representatives and representatives of the museum. I assure the hon. Gentleman and the House that once we have clearly established the position of the families, we will press on with our discussions with the Natural History museum to ensure that the issue is brought to a satisfactory resolution as quickly as possible.

I can confirm that the Government have committed £500,000 for the memorial, and that we have undertaken to meet any ongoing maintenance costs that the museum may incur. Let me also stress my personal commitment to doing all that I can to resolve these issues to the satisfaction of the families, and to ensure that a fitting memorial is developed that reflects the aspirations and wishes of all those affected by this terrible tragedy. Because of the hon. Gentleman's interest, I will of course ensure that he is kept informed so that he, in turn, can keep his constituents and their families involved.

I have always indicated my willingness to meet the families and their representatives, and, as I have made clear, my officials are in close discussion with them about the details of this matter. However, the overriding principle is the desirability of reaching a conclusion that gives the families a sense of solace and reconciliation, and a place for quiet contemplation and remembrance where they can go and, in some way, find the souls of the relatives who were so cruelly taken from them.

Question put and agreed to.

10.30 pm

House adjourned.

House of Commons

Tuesday 31 March 2009

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Iran

1. **Mr. David Jones** (Clwyd, West) (Con): What recent reports he has received on Iran's nuclear programme; and if he will make a statement. [267595]

3. **Sir Malcolm Rifkind** (Kensington and Chelsea) (Con): What his most recent assessment is of Iran's nuclear programme; and if he will make a statement. [267597]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The International Atomic Energy Agency's latest report of 19 February shows that Iran continues to refuse to suspend its proliferation-sensitive nuclear activities and has not granted the IAEA the access that it seeks as required by five UN Security Council resolutions. We, and the international community, will continue to press for Iran to fulfil its international obligations and restore confidence in its intentions.

Mr. Jones: Does the Secretary of State agree that while President Obama's recent outreach to Iran is welcome, diplomatic overtures must be backed by a readiness on the part of the United States and the EU to impose such further sanctions as are necessary until such a time as Tehran can demonstrate to the unequivocal satisfaction of the UN inspectorate that it has abandoned its ambitions to develop a military nuclear capability?

David Miliband: I am grateful to the hon. Gentleman for his enunciation of the policy, which I think has support across the House. It is the so-called dual-track policy, which is that we should seek to engage with Iran, that we should make it clear that we have no quarrel with the Iranian people and that the choice of Government in Iran should be a matter for them. However, whatever the Government in Iran, they need to abide by their international responsibilities. If they refuse to do so, there are costs associated with that decision.

The hon. Gentleman is right that there are responsibilities on the EU and the US, but the responsibilities go wider. The international coalition, which is right to fear an Iranian nuclear weapons programme, goes wider than the EU and the US. Russia, China and the Gulf states have responsibilities, too, and I am sure that the hon. Gentleman would want to join me in working to ensure that they are part of a global coalition against an Iranian nuclear weapons programme.

Sir Malcolm Rifkind: With North Korea, it has proved useful to include its neighbours, Japan and South Korea, in the negotiations to discourage it from going down the nuclear weapons route. Should not Iran's neighbours, particularly Saudi Arabia, Turkey and Egypt, be invited by the Security Council to join the negotiations over Iran, especially as the Iranians need to realise that those three countries might themselves go nuclear if Iran ends up as a nuclear weapons state?

David Miliband: Only up to a point. The multilateral negotiations are not being conducted under a UN framework—the E3 plus 3 is not a UN body, but it is recognised to have a global coalition behind it. The right hon. and learned Gentleman might have an important point, which was at the heart of the E3 plus 3 offer agreed under my chairmanship last May in London. It concerns what will happen in the future if Iran ceases its nuclear weapons programme or restores the confidence of the international community that it does not have a nuclear weapons programme. There are important regional political issues about Iran's legitimate interests in the region, but no discussion of those issues can take place without the involvement of the countries that he has mentioned.

Jeremy Corbyn (Islington, North) (Lab): Will the Secretary of State acknowledge that Iran is a signatory to the nuclear non-proliferation treaty and that the best way to prevent any ratcheting up of tensions in the region is to declare our support for a nuclear-free middle east? That would include Israel's having to bring its nuclear weapons to a de-alert status and would help to promote the idea of disarmament throughout the region to bring about stability, rather than the obviously very great danger of the development of an arms race across the region.

David Miliband: We have done that for a long time. It is important to be clear that through the Iranian programme we face the danger of proliferation and the sort of domino effect described by my hon. Friend. Iran, of course, is a signatory to the NPT. My hon. Friend is right. Inherent in the idea of the drive towards multilateral disarmament, eventually including the global abolition of nuclear weapons—a commitment that every signatory to the NPT makes—is the idea of a drive towards a nuclear weapons-free middle east, too.

David Taylor (North-West Leicestershire) (Lab/Co-op): At a meeting of the board of governors of the IAEA in Vienna on 2 March, the director general, Dr. Mohamed el-Baradei, reported, in addition to what the Foreign Secretary has said, that Iran continues to work on heavy water projects and that it declines to implement the additional protocol that is required of it. His recommendation was that a method should be found to find a way through by transferring these activities from national control to multilateral control. How does the Foreign Secretary think that that might be achieved in the short to medium term?

David Miliband: I spoke to director general el-Baradei about that issue when I met him at the Munich security conference. Inherent in the idea that Iran has to win the

confidence of the international community that its uranium enrichment programme does not have dual use is the notion that we are open to a range of ideas for multilateral engagement with Iran over a civilian nuclear power programme—a programme that, above all, is destined only for peaceful use.

That is why we have strongly supported Russian support and investment in the civilian Bushehr nuclear power plant. There is a range of options on the table, as long as Iran is clear that it cannot pursue a programme that fails to win the confidence of those of us who believe that anything other than a solely peaceful programme—and one that has the confidence of the international community that it is solely peaceful—is ever going to be able to play any part in stabilising the middle east.

Mr. Malcolm Moss (North-East Cambridgeshire) (Con): As well as selling air defence systems to Iran, Russia has continued to block attempts by the west to impose tougher sanctions on Iran. What are the Government doing to ensure that Russia does not continue to block the sanctions process?

David Miliband: The hon. Gentleman has made an important point. I am sure that he will have seen, as I did, at least a report of the interview that President Medvedev did for the BBC on Sunday, when he stated unequivocally that Russia does not want the development of an Iranian nuclear weapons capacity. That is why Russia has supported successive UN Security Council resolutions to that end.

The hon. Gentleman is also right that it is important to recognise the urgency of the matter and the need to make it clear to the Iranians that the American offer currently being developed and made represents the best chance that Iran will ever have of normalising its relations with the rest of the world, and above all with the US. The whole world can play a role in supporting American outreach in that regard. It is not only for Europeans but for Russians and Chinese as well to make it clear that this is the best chance that Iran will ever have to regularise its relationships with the rest of the region and the rest of the world, but that cannot be done while there is so much concern about its nuclear weapons intentions.

Rob Marris (Wolverhampton, South-West) (Lab): I wish a happy new year to Iranians here and around the world. The Foreign Secretary rightly talks about multilateral engagement with the Government of Iran. Does he agree that part of that process should also be multilateral engagement with the Government of Israel about its nuclear weapons, as that would build confidence among the Iranians that there is an equivalent process there?

David Miliband: The multilateral basis of engagement with the Iranians is first of all in respect of its NPT obligations. That is why this is an IAEA process, as well as a UN process. The sort of confidence and stability that I know that my hon. Friend wants to see in the middle east can be achieved only if nations abjure the sort of rejectionist rhetoric that has emerged from Tehran, which produces the sort of fears that can lead to a nuclear arms race.

The other thing to say is that not only Israel is worried about an Iranian nuclear weapons programme. If one talks to people from any Arab or Gulf state, one sees that there is a very high degree of concern among them for obvious reasons, given the tinderbox that is always the middle east. The last thing that it needs is a nuclear weapons arms race. In that context, we have a real opportunity, and responsibility, to bring old foes over the Israel-Palestine issue together on the Iranian issue. We believe that it is essential to move forward on the middle east peace process, but we must also recognise that there are also new coalitions to be built on the Iranian nuclear issue.

Mr. David Lidington (Aylesbury) (Con): A moment ago, the Foreign Secretary spoke about the urgency of the process. Given that it is more than 12 months since the Prime Minister threatened new sanctions on Iranian oil and gas, and nine months since the E3 plus 3 made the offer to transform relations if Iran would suspend enrichment, will the right hon. Gentleman say today how much longer we are prepared to wait before we go back to the EU and the UN to ask for more sanctions? That would clearly show that we are taking both tracks of the dual-track process that he has described with equal energy and determination.

David Miliband: The hon. Gentleman asked the same question several times last year. I know that he shares the Government's commitments on this matter, but I say to him—in the nicest possible way—that one very big thing has changed since then. For the first time in 30 years there is an American Government who want to open a bilateral channel with the Iranian Government and people. By any stretch of the imagination, that is a big change.

Given that the whole world, as well as the American Government, is committed to seeing that outreach take place—*[Interruption.]* I hear an Opposition Member shout, "How long?" but the Americans have not even completed their review yet, so let us hold our horses about that. It surely makes sense to say that the Americans should complete their review and ensure that the elements of their multilateral and bilateral outreach are clarified for the Iranians. If the Iranians do not respond in a positive way, we can then ensure that further steps are taken. If the hon. Gentleman pauses to think about it, he will recognise that now is not the time to be rushing for more sanctions; instead, now is the time to be backing the American outreach, which is a once-in-a-generation opportunity both for us and for the Iranians.

General Affairs Council

2. **Mr. James Plaskitt** (Warwick and Leamington) (Lab): What discussions he had in the most recent meeting of the General Affairs Council on the contribution of the European Council's European economic recovery plan to the development of employment in the environmental sector. [267596]

The Minister for Europe (Caroline Flint): At the General Affairs Council on 16 March 2009, I discussed the proposal to invest €5 billion of EU funds in a number of projects, including on carbon capture and storage and energy infrastructure, ahead of final agreement at the spring European Council.

Mr. Plaskitt: On Friday, I met representatives of several companies in my constituency, all of which are involved in environmental technologies with a wide range of potential applications. They seek in particular help with research and product development. Does the EU recovery plan contain anything for them?

Caroline Flint: The package outlined, in terms of carbon capture and storage and opportunities involving wind power, provides an exciting future in which businesses can grow. The environmental business sector is growing apace, at 5 per cent. each year. I suggest that my hon. Friend makes sure that his constituents are aware of what we are providing domestically through the Carbon Trust, the environmental transformation fund, the Technology Strategy Board and the various other ways in which we are supporting businesses to become low carbon and to make their good ideas reality. What is most important is where the EU adds value to what we do at national level. The €5 billion package will be helpful to boosting environmental technologies here and throughout the rest of Europe.

Mr. Crispin Blunt (Reigate) (Con): I imagine that the Minister has noticed the remarkable similarity between Questions 2, 8 and 17. Has the Government's competence so disintegrated that they cannot even adequately disguise an exercise in arranging questions for themselves to answer?

Caroline Flint: I am absolutely delighted that some Members, especially on the Labour Benches, are interested in what the EU has to offer that is additional to what we in this country can do alone. We are more interested in the substance than in the process.

Simon Hughes (North Southwark and Bermondsey) (LD): The EU is to be commended on directing between 60 and 70 per cent. of its economic stimulus funding to proposals relating to the environment. Will the Minister speak to her colleagues in her Department and more widely across Government to make sure that the G20 decisions and the Budget announcements show the same level of commitment as the EU has shown to environmentally sustainable projects? Here in the UK, environmental projects account for less than 10 per cent. of the total; if it were 50 per cent., we would be getting somewhere.

Caroline Flint: The debate now is on how to green the economy as part of our way out of the recession facing us and other countries around the world. Six months ago, when I started this job, it was hard to conceive of reaching agreement on a package at EU level, but we did. I hope that the G20 will ensure that opportunities to use fiscal stimulus to stimulate low-carbon economies, which would be good for our planet and good for jobs and skills in future, are at the heart of its achievements.

Mr. Mark Francois (Rayleigh) (Con): Given that the European economic recovery plan will not work if we cripple businesses with excessive red tape, can the Minister for Europe redeem herself from yesterday's incredible admission that she has not read the Lisbon treaty, and so does not know what Europe has to offer, by assuring us that the Government will work hard in the negotiations to protect the UK opt-out on the working time directive, which has as critical an effect on environmental employees as it does on many others across this country?

Caroline Flint: Yesterday, the hon. Gentleman asked me whether I had read the elements of the Lisbon treaty that relate to defence. I answered honestly that I had read some, but not all, of it, but I have now done so. I have no doubt that he spends many nights and many hours—alone, I presume—poring over the Lisbon treaty to discover some hidden plot. This Government are working with our European partners to engage constructively and to ensure that we find a way out of the recession facing the world, which is a darned sight more than the Opposition are doing.

EU-US Relations

4. **Mr. Andy Slaughter** (Ealing, Acton and Shepherd's Bush) (Lab): What steps his Department is taking to encourage partnership between the EU and the US. [267598]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): A strong and vibrant EU-US relationship is clearly in the UK's interest. It provides an essential basis for meeting many of today's most pressing challenges, from the global economic crisis and climate change to foreign policy priorities, including Afghanistan, Pakistan, the middle east and Iran. I shall continue to work to strengthen that relationship with European and American colleagues, as will the Prime Minister when he represents the UK at the EU-US summit in Prague next Sunday.

Mr. Slaughter: I am grateful for that answer. One area where one might expect closer partnership working is the middle east. Given the appointment of Senator Mitchell, but the relative failure of the Quartet and the Annapolis process, what role does my right hon. Friend see for the EU, and Britain within the EU, in moving the peace process forward?

David Miliband: I thought that my hon. Friend was going to anticipate a later question by complimenting the Quartet representative on the outstanding work that he has done, side by side with Senator Mitchell, to take forward change on the ground in the west bank and Gaza. My hon. Friend might try to catch your eye to make that point later, Mr. Speaker. The appointment of Senator Mitchell has in fact brought respect and applause from across the middle east, because of his obvious knowledge of the region, given his work on the settlements issue in 2001-02, and his record in the Senate and elsewhere. From my conversations with Senator Mitchell on four occasions, he will make a distinctive contribution to a region that needs urgent engagement on a problem—that of Palestinian statelessness and Israeli insecurity—which, if not solved soon, will never be solved.

Angus Robertson (Moray) (SNP): Has the Secretary of State had the opportunity yet to look at the details of the US stimulus package? The majority of the $787 billion of new money is being spent at a state level. May I encourage him to employ that approach in the United Kingdom and throughout the European Union, rather than to pursue his Government's plans of cutting public spending by £1 billion in Scotland, £500 million in Wales and nearly £200 million in Northern Ireland?

David Miliband: I understand why the hon. Gentleman was drawn to the American example; of course, President Obama has had to bail out a large number of states that have left their public finances in a baleful condition. Presumably, the hon. Gentleman has some experience of that as a result of the performance of the Scottish National party in Scotland. The measures being taken in this country, including some of those that he has criticised, have been of benefit not only to national Government and individuals, but to local government right across the country.

Mike Gapes (Ilford, South) (Lab/Co-op): As we welcome President Obama to this country and to Europe, is it not time to congratulate NATO, reaffirm the transatlantic partnership between Europe and the United States and ensure that European Union countries and the US work together on security issues for the future?

David Miliband: My hon. Friend has made a very important point. The summit on Friday and Saturday marks the 60th anniversary of the foundation of NATO, and it is an important chance to look forward. One of the foundations of NATO's future, whatever the debates about how it should combine the defence of its members with operations beyond its borders, is that it must embody the transatlantic alliance that has served Europe and North America so well over the past 60 years. I hope that the meeting on Friday and Saturday can be more than a "celebration". First, it needs to be a chance to chart the future in respect of Afghanistan, the biggest and most important NATO mission currently under way. It should also start the debate about how NATO can look forward, in the next 10 or 20 years, to working in a very different context from that in which it was created.

Mr. Graham Stuart (Beverley and Holderness) (Con): Given the Government's failure to act urgently on carbon capture and storage, and the fact that the Prime Minister's own adviser, Lord Stern, said last night that he thought that it was unacceptable for Kingsnorth to go ahead without carbon capture and storage, does the Foreign Secretary expect leadership on that technology, which is crucial to tackling climate change, to be ceded to the United States?

David Miliband: No, not least because on the Friday before last, the United Kingdom was successful in ensuring that a significant tranche of the €5 billion stimulus package agreed by the EU should be dedicated to countries that want to take on carbon capture and storage, and €180 million is coming to the UK precisely for that purpose.

Ukraine

5. **Mr. John Grogan** (Selby) (Lab): What recent assessment he has made of UK relations with Ukraine; and if he will make a statement. [267599]

The Minister for Europe (Caroline Flint): The UK has a very strong bilateral relationship with Ukraine. The Foreign Secretary and I both visited Ukraine last year, and President Yushchenko has paid three visits to the UK in the past 12 months.

Mr. Grogan: On the eve of England's first ever World cup match against Ukraine, does my right hon. Friend agree that it should not be too long before the European Union offers Ukraine a long-term membership perspective, to use the Euro-jargon, and that that measure, more than any other, is likely to encourage further political, legal and economic reform?

Caroline Flint: That might depend on the outcome of the match. Seriously, it is important for the EU and Ukraine to conclude a substantive new association agreement, including a deep and comprehensive free trade agreement. That will represent a strengthening of our ties and will offer an opportunity for Ukraine to integrate into the European economy, to align with EU energy policy—an important issue in recent months—and to co-operate in other areas such as tackling organised crime and trafficking.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): When does the Minister envisage Ukraine becoming a member of the European Union? *[Interruption.]* "Not too soon," I heard someone say. Has the economic crisis in Ukraine delayed that country's entry into the European Union?

Caroline Flint: Ukraine will become a member of the EU when it meets all the requirements, and that is a matter for Ukraine. With the eastern partnership being launched, it is important for Ukraine to show that it is ready to reform and to find a consensus across the political divide to move forward on an issue that is very popular among the Ukrainian people, namely joining the EU.

Keith Vaz (Leicester, East) (Lab): The Minister has mentioned trafficking. It is estimated that half a million women from central and eastern Europe are working as prostitutes within the EU. When the Home Affairs Committee went to Ukraine, we found that it was both an origin country and a transit country. What further measures are the Government proposing to help the Government of Ukraine deal with the serious issue of human trafficking?

Caroline Flint: My right hon. Friend has made an important point. As I have said, getting the association agreement under way will lead to greater collaboration on matters such as organised crime and trafficking. He is right to point out that Ukraine is a significant transit country for illegal migrants and a major exporter of trafficking victims. The Serious Organised Crime Agency is currently working on identifying the criminal networks involved, and we are offering programme assistance to prevent trafficking. We are liaising with agencies here in the UK, such as the UK Border Agency and the Child Exploitation and Online Protection Centre, and working with our Ukrainian colleagues to stamp that out.

Mr. Gregory Campbell (East Londonderry) (DUP): Will the Minister assure the House that targets are in place to ensure a significant reduction, in human trafficking, particularly in the numbers of women coming either from or via Ukraine into the UK to work in the manner outlined?

Caroline Flint: I will write to the hon. Gentleman with some detail about targets, because I am not in a position to answer that here. But it is important to

demonstrate that the measures we are taking are having an impact. I am happy to write to the hon. Gentleman about how we assess that because, presumably, knowing the flow is important in understanding whether the problem is being tackled effectively.

Sri Lanka

6. **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): What recent assessment he has made of the political situation in Sri Lanka. [267600]

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): We have become increasingly concerned about the humanitarian situation in northern Sri Lanka and in particular about the fate of the many civilians caught in the conflict area. We have made repeated calls on both the Sri Lankan Government and the Liberation Tigers of Tamil Eelam to agree an urgent humanitarian ceasefire to allow civilians to leave the conflict area safely and for increased humanitarian supplies to be brought in.

Mr. Lancaster: One of the great tragedies of the conflict has been the loss of civilian life, particularly in the so-called Government safe zones. Many feel that the only way in which we can have a lasting settlement is if the alleged abuses of human rights are investigated. Does the Minister agree? What action are the British Government taking to ensure that that happens?

Bill Rammell: I agree with the hon. Gentleman. The scale of losses since January this year—more than 2,600 civilians killed, more than 7,000 injured and hundreds of thousands internally displaced—is truly shocking. The UN Commissioner for Human Rights has expressed very serious concerns about the civilians reported killed and injured in the conflict. We are urging all parties to investigate those matters, and we believe fundamentally that there needs to be full and independent investigation.

John Reid (Airdrie and Shotts) (Lab): I commend my hon. Friend and the Government on appointing the former Secretary of State for Defence, my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne), as an emissary on these matters. Notwithstanding the initial reception for this move, will my hon. Friend stress to all parties involved in this tragic case that this is not a matter of taking sides; it is a recognition that however essential military means may sometimes be, they are never sufficient to solve a problem? One cannot ultimately solve a political problem by military means alone, and it is in that spirit that we approach trying to assist a resolution of that terribly tragic conflict.

Bill Rammell: I agree with my right hon. Friend that this is not about taking sides; it is about standing up for all the innocent civilians who are caught in the middle of the conflict. He is right to draw attention to the fact that on 12 February the Prime Minister appointed the former Secretary of State for Defence as his special envoy to Sri Lanka. I very much regret the fact that the Government of Sri Lanka have yet to agree that appointment. We are disappointed and do not understand their attitude. I further agree with my right hon. Friend that the conflict cannot be resolved by military means and that there must be a political solution.

Michael Fabricant (Lichfield) (Con): The Minister has rightly identified the problem in northern Sri Lanka with the Tamils, but is he aware that in parallel with all that is the persecution—I think that is the right word to use—of journalists in the Sri Lanka Broadcasting Corporation and in national newspapers in Colombo? What steps can the Government take to try to protect journalists and ensure that journalists can speak out and speak the truth?

Bill Rammell: We have the power of advocacy, but we do not have the ability to mandate actions on the ground. Nevertheless, the aspect that the hon. Gentleman has identified is a matter of the highest priority. The attacks and threats to journalists, members of civil society and others is extraordinarily concerning, as is the culture of impunity. We have urged and continue to urge the Government of Sri Lanka to do everything possible to investigate such instances and ensure that those responsible are brought to justice.

Joan Ryan (Enfield, North) (Lab): About two weeks ago, Balasingham Nadesan, the political leader of the LTTE, made a plea for a ceasefire. My view is that the Government of Sri Lanka should take that plea seriously. Have the Minister or his colleagues pressed the case with the Government of Sri Lanka and their representatives?

Bill Rammell: I know that my right hon. Friend is extremely concerned about the situation and has forcefully put forward her views. We agree that there should be a ceasefire. Indeed, our Prime Minister was the first international leader unequivocally to call for a ceasefire, and at every opportunity we are making it clear to all the parties that that is our view.

Mr. Speaker: I call Keith Vaz.

Mr. Keith Simpson (Mid-Norfolk) (Con): Mr. Speaker, I am sure the right hon. Gentleman's lawyers will be speaking to mine.

May I draw the Minister out a little further in his comments about the UK special envoy? Will he explain to the House what reasons the Sri Lankan Government have given our Government for refusing to accept the right hon. Member for Kilmarnock and Loudoun (Des Browne)? Does he see any way in which, in the near future, we will be able to resolve that impasse?

Bill Rammell: Dead ringer, I would say!

Let me be clear on the position of our special envoy. He remains our special envoy and we emphatically urge the Sri Lankan Government to recognise that. I do not know and do not understand why they will not work with our envoy. We are not in isolation. There are other envoys with whom the Sri Lankan Government are not co-operating. The message that we need to communicate emphatically at all levels is that there must be a political solution in Sri Lanka, not a military one.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Over the weekend, a group of brothers from the De La Salle order in my constituency came to see me about their concerns about Sri Lanka and the civilian safe zone in particular. Can my hon. Friend assure us that whoever is to blame for the problems and the mayhem, we will continue to give as much humanitarian support as the situation clearly invites?

Bill Rammell: I agree with my right hon. Friend. There has been a limited delivery of UN humanitarian supplies to the conflict area since January. That is not enough, and we urge all parties to ensure that medical supplies, food and equipment get to the people who so desperately need them.

Iran

7. **Mr. Desmond Swayne** (New Forest, West) (Con): What recent assessment he has made of the state of UK relations with Iran; and if he will make a statement. [267601]

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): The UK desires a constructive relationship with Iran, based on mutual respect. However, we have significant concerns about Iran's nuclear ambitions, its regional activity and internal repression. Unacceptable harassment of staff in Tehran has forced the British Council to suspend its operations, which has obstructed the legitimate activities of our embassy. We have protested to Iran on numerous occasions, and we regret that it has done nothing to address the situation.

Mr. Swayne: The Minister did not draw attention to the fact that Iranian activity has been responsible for the deaths of our servicemen in Iraq—and now, particularly, in Afghanistan. What are we going to do, other than merely protest?

Bill Rammell: We make our views very clear to the Iranian Government. We also interdict the forces coming from Iran. The message that needs to go out from all of us—it is part of the message that President Obama is sending the Iranian regime—is that we want Iran to be a responsible international partner. Fuelling terrorism and fighting in the region does nothing whatever to further that end.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): What representations has my hon. Friend made to Iran following Israel's interception of Iranian missiles that could reach Tel Aviv? They were being transported across Sudan to be smuggled into Gaza.

Bill Rammell: The reports have not yet been confirmed; nevertheless, a constant refrain of our dialogue with the Iranian regime is that such activities, wherever they occur, are not only wrong but move us further away from the peaceful outcome that we all want in the region.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): We are right to be very concerned about Iranian nuclear ambitions; so, too, are the Government of Israel. However, does the hon. Gentleman accept that it is important that we should stress to Mr. Netanyahu and the Israeli Government that their interests are best served by working in concert with the United States and the European Union, rather than by contemplating any unilateral action on their own part?

Bill Rammell: I very much agree with the right hon. and learned Gentleman's statement. There is a shared interest, and all our interests are served by our presenting the Iranian Government with that choice—a choice between engagement, with all the political and economic benefits that that can bring, and much tougher sanctions imposed on behalf of the whole international community.

General Affairs Council

8. **Tony Lloyd** (Manchester, Central) (Lab): What discussions he had in the recent meeting of the General Affairs and External Relations Council on the effect on consumers of the European Council's European economic recovery plan. [267602]

The Minister for Europe (Caroline Flint): The overriding aim of the European economic recovery plan is to stimulate demand and boost consumer confidence across the EU. The €5 billion package discussed at the General Affairs and External Relations Council and agreed at the spring European Council on 19 and 20 March focuses particularly on improving energy and broadband infrastructure. It will deliver cheaper, greener energy and better internet access, particularly to consumers living in rural areas.

Tony Lloyd: My right hon. Friend's answer has confirmed that making sure that consumers get back into the marketplace is central to the European economic recovery plan. That, of course, means jobs here in Britain. Does she believe that Britain's influence and ability to make sure that we get those jobs would be increased or decreased if we had a Government who were withdrawing to the fascist wing of the European process?

Caroline Flint: We can be proud that the UK Government have more friends and allies in Europe in 2009 than we inherited in 1997. What is important is that we can come together across Europe, at this crucial time for our citizens, to focus on the issues that matter—rather than on internal institutional navel-gazing, which the Conservative party likes to do. The Conservatives' decision to remove themselves from their alliance with the European People's party is a bad one; it is bad for politics and it is bad for—

Mr. Speaker: Order.

Mr. David Heathcoat-Amory (Wells) (Con): Does the right hon. Lady agree that spending yet more taxpayers' money in this way is unlikely to do anything good for consumers, as it all has to be paid for? Will she instead look at the continuing blizzard of high-cost, job-destroying regulations that are pouring out of Brussels? The European Scrutiny Committee has to look at more than 1,000 such regulations a year. Will she ask for at least a moratorium on such regulation, at least for the duration of the recession, in the interests of employment and consumers alike?

Caroline Flint: I would have to disagree with the right hon. Gentleman's suggestion that investing in carbon capture and storage and renewables is a bad thing to do. There is a time when regulation is right. We need to look at how we better regulate the banks and the way that they work. Over the past few years, we have seen some huge reductions in regulation in the European Union, and there is a target to reduce the number by another 25 per cent. by 2012. That has been greatly influenced by the better regulation unit that we set up here in the UK, which has found favour in other member states, and certainly within the Commission. I look forward to less red tape, but where we need it, it has to be SMART—specific, measurable, attainable, realistic and timely.

Sir Patrick Cormack (South Staffordshire) (Con): Is the right hon. Lady confident that enough is being done to address the problems of the countries of eastern Europe that 20 years ago were members of the Warsaw pact, and which now see their hopes collapsing around them and their economies in shreds?

Caroline Flint: The hon. Gentleman asks an important question. We need to be clear that some, not all, countries in eastern Europe are facing difficulties at this time. I agree with the Prime Minister, who said in a speech only the other week that it is important that we ensure within the European Union family that none of the members is left behind. That is why the G20 is important, but also important is what happens afterwards to ensure that Europe comes out of this recession stronger and better able to equip itself for the future.

Burundi and the Great Lakes

9. **Mary Creagh** (Wakefield) (Lab): What recent assessment he has made of the political situation in Burundi and the great lakes region. [267603]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Gillian Merron): Burundi has made some progress while recovering from the legacy of a long civil war. However, elections next year will be a real test for its fragile democracy. The recent co-operation between the Democratic Republic of the Congo, Uganda and Rwanda offers the best prospects for peace in the great lakes region, which we warmly welcome.

Mary Creagh: I thank my hon. Friend for that reply. On a recent visit to Burundi, my hon. Friend the Member for Bury, North (Mr. Chaytor) and I heard concerns from civil society and opposition parties about the elections that are due next year. We met journalists and trade unionists who had been imprisoned for criticising the President—two of whom, happily, have now been released. Will my hon. Friend ensure that we do everything in our power as the UK Government to support those elections and, critically, what happens in the post-election period, which has traditionally been the time when violent acts take place, so that the country can continue down the path of peace that its people have chosen?

Gillian Merron: First, I thank my hon. Friend and my hon. Friend the Member for Bury, North (Mr. Chaytor) for the excellent work that they did when they went to Burundi in promoting good democratic practice by working with parliamentarians there. We were very glad to support that.

I can assure my hon. Friend that along with the Department for International Development we are working very closely with international partners to assess the potential risks in the lead-up to the elections and how we can best take action to head off those risks in advance of the elections and beyond. I would be delighted to meet both my hon. Friends in order to discuss how we might bring that forward.

Sir Nicholas Winterton (Macclesfield) (Con): I, too, was impressed by the Minister's original answer to the question. Does she accept, however, that it is not appropriate to force western European democracy on to cultures that are very different from those in Europe? We need to look at the systems of democracy that we seek to help countries to develop in accordance with their needs and cultures. If we do so, we can perhaps find an acceptable arrangement that will not lead to the bloodshed that has been so typical in that part of the world.

Gillian Merron: May I first wish the hon. Gentleman a very happy birthday? [HON. MEMBERS: "Hear, hear!"] That clearly commands support in all parts of the House.

This is not about imposing models of democracy, but about assisting with the development of good governance. I share the hon. Gentleman's view that good governance in Africa needs stability, growth and development. That is the purpose of the work that we do in the Foreign and Commonwealth Office and in DFID. I can assure him that we will work closely not only with Governments but with non-governmental organisations, civil society and the media to give them a voice in ensuring that their countries can be stable, absent from the bloodshed that he mentions, and can move forward.

Mr. David Chaytor (Bury, North) (Lab): In the next two years, there are crucial elections in three countries of the great lakes region—Burundi, Rwanda and the DRC. The evidence strongly suggests that in countries that have come out of long periods of conflict, it is always the second democratic election that can mark the turning point. Will my hon. Friend do everything possible to support the integrity and transparency of the electoral process in those three countries over the next two years?

Gillian Merron: I share that view, but I should also say that we welcome the good signs of progress that we have seen in the region, particularly the serious and constructive work that the key leaders have done together, which has meant the restoration of diplomatic links and co-operation on matters such as reintegration. That proves that the solution is never just military, but also political. We will continue to support that process.

Pakistan

10. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What recent discussions he has had with his Pakistani counterpart on relations between the UK and Pakistan. [267604]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I maintain regular and frequent contact with Foreign Minister Qureshi, Prime Minister Gilani and President Zardari, as well as opposition figures in Pakistan. Our recent discussions have covered political development, stability in Pakistan's tribal areas and in Swat and prosecuting those responsible for the attacks in Mumbai.

Mr. Crabb: I am grateful to the Foreign Secretary for that reply. Even before yesterday's brutal attack, President Zardari had appeared on UK media outlets appealing for direct and urgent UK assistance for Pakistan in tackling its Taliban problem. According to some reports, the Taliban control vast swathes of the Swat valley. Can the Foreign Secretary spell out how he intends to respond to that appeal, and what practical assistance we can give

to Pakistan? If Pakistan continues its slide into bloodshed and violence, the consequences for the entire region will be catastrophic.

David Miliband: There are three or four ways in which we can respond to the needs of Pakistan. We are close friends of the Pakistani people, as well as of the Pakistani Government and the political parties. As well as the economic aid, which is substantial—not just the Department for International Development programmes, which amount to £500 million, but the International Monetary Fund loan, which we strongly supported and which is being well implemented—we can offer security support, which obviously we do not detail publicly. Finally, we can offer political engagement with Pakistan. It is significant that today, the United States Government have called a meeting in The Hague to discuss with the whole region the situation in Afghanistan and Pakistan, and that the US has proposed setting up a trilateral body of Afghanistan, Pakistan and the US to work on economic and security issues. Those are two examples of what has come out of the Riedel review on Afghanistan and Pakistan, both of which have the strong support of the British Government. Such political engagement with the problems in Pakistan and Afghanistan is essential.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): The Foreign Secretary will be aware that Her Majesty's Government have recently taken steps to suspend the constitution of the Turks and Caicos Islands. Although the population there are grateful for the corruption probe that is taking place, is he aware that they are anxious that the Government should work with all the countries in the region to restore democracy to that country as soon as possible?

Mr. Speaker: Order. I could not hear properly because I was distracted, but I do not think that that supplementary is tied to the question before us. Perhaps the hon. Lady is thinking of topical questions. We will try Mr. MacShane—I think that he will be able to get it right.

Hon. Members: No!

Mr. Denis MacShane (Rotherham) (Lab): Set up again, Mr. Speaker, with your usual courtesy.

Does my right hon. Friend agree that the Foreign Office should never use the ugly acronym "AfPak", which is patronising and condescending to the nation of Pakistan? Secondly, will he take the shadow Foreign Secretary behind Mr. Speaker's Chair and agree with him that we have to talk about India if we are to get a solution on Pakistan. Finally, can we get more free trade going on Pakistan—*[Interruption.]* Well, I was invited to ask a question by the Speaker. [Hon. Members: "Not three!"] I chanced my arm. I hope that I can have an answer to all three questions.

David Miliband: I must say that I am disappointed not to have had the third part of my right hon. Friend's question.

The situation in Pakistan deserves the full engagement of the UK. My view on its immediate responsibilities is that it must ensure that those responsible for the Mumbai attacks are prosecuted and, if found guilty, punished. There is no way in which the necessary dialogue between India and Pakistan can be restored until confidence is established that the Pakistani authorities will prosecute and punish, if found guilty, those responsible for the Mumbai attacks. On that basis, President Obama spelt out the regional equities very well last week.

Topical Questions

T1. [267620] **Michael Fabricant** (Lichfield) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): I visited Basra and Baghdad at the end of last month on 26 and 27 February. Today in Basra there is a ceremony marking the handover of coalition divisional command. Multi National Division (South-East), led by British troops, has done so much to stabilise southern Iraq, and the handover signals the merger of MND (South-East) with MND centre to form a new MND (South) command for all nine provinces of southern Iraq. Over the next few months, the final draw-down of British forces will take place while civilian engagement from the UK rises. As the first majority Shi'a democracy in the Arab world, Iraq's future success matters to the whole region, and we will be working with the Iraqi Government and people for that success.

Michael Fabricant: I thank the Secretary of State for that answer. He answered at great length earlier questions about Iran and its nuclear programme, but may I press him on other Iranian activities? He will be aware that *The Times* newspaper believes that some 40 British soldiers have been killed by Iranian roadside bombs and that Iran is funding Hezbollah, Hamas and the Taliban. Iran is fast becoming a rogue state. Is there any positive action that we can engage in to try to bring Iran back into the international fold?

David Miliband: Yes, there is positive action that we can take. First, we can ensure proper interdiction of the sort that the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Harlow (Bill Rammell), referred to, so that our troops are properly defended. Secondly, we can make it absolutely clear in the diplomatic engagement not just by us but, crucially, by the United States, that if Iran seeks a normal relationship with the rest of the region, it must behave responsibly. The hon. Gentleman cites a number of areas in which Iranian behaviour needs to change. The important point that has changed, though, is that it is now clear that saying to the Iranian Government that it is behaviour change that we seek, not regime change, can be done with unity and clarity right across the west.

T2. [267621] **Siobhain McDonagh** (Mitcham and Morden) (Lab): Does my right hon. Friend agree that a Government who spend 25 per cent. of their gross domestic product on weapons, who regularly work in an environment in which journalists are assassinated and nobody is ever found, and who drop cluster bombs on their own people are unlikely to give way to quiet diplomacy? Does he agree that now is the time for action against the Sri Lankan Government, such as removing them from the Commonwealth, to make it absolutely clear where this country stands?

David Miliband: The passion that my hon. Friend brings to this issue is well merited. Democratic Governments are held to higher standards than terrorist organisations, and the actions of the Sri Lankan Government in respect of the 150,000 to 200,000 people in the north-east of the country have fallen below the expectations of people all around the world. That is why we have unequivocally called for a ceasefire. The fact that the Liberation Tigers of Tamil Eelam have herded people into that zone is no excuse for the actions of the Sri Lankan Government.

The rules of the Commonwealth are quite clear: it is democratic norms that are the foundation of membership. An important part of the power of our argument and our international action—including by the special envoy, who was discussed earlier—comes from making it clear to the Sri Lankan Government that if they isolate themselves from international norms, they will cause grave damage to all the people of Sri Lanka.

Mr. William Hague (Richmond, Yorks) (Con): I know from what the Foreign Secretary has already said that he will agree that the United States White Paper on Afghanistan and Pakistan, published at the end of last week, is very much to be welcomed. In December, the Prime Minister announced that he would be leading the UK review of policy on Afghanistan. Now that the United States has published its review, will the Foreign Secretary undertake that the British Government will complete and publish the review led by the Prime Minister? In particular, will he ensure that it is published and put before Parliament before any final decisions are made about the commitment of additional British forces to Afghanistan?

David Miliband: I think that the right hon. Gentleman asked about this in the House at the end of last year. I said that initial results from our review had been fed into the American review, which is right. I, too, am pleased by a significant number of the aspects of the Riedel review, the so-called "review of reviews" by the President's appointee. The Prime Minister will discuss Afghanistan and Pakistan with the President tomorrow, and there will be EU-US discussion later.

As the right hon. Gentleman knows, troop numbers are decided on the basis of the situation on the ground, and they will always be reported to this House at the appropriate time.

Mr. Hague: The Prime Minister referred in December to a UK review. There would be great disappointment in the House if the British Government did not produce a review—a basis—for decisions that are to be made. General Sir Richard Dannatt seems to have gone ahead of Ministers by giving journalists the impression that 2,000 additional troops will be deployed. Is that an accurate number in the minds of Ministers? Will the Foreign Secretary assure the House that, if the Government are to authorise additional troops, they will entirely satisfy themselves that those troops will be accompanied by the right equipment, including the right number of helicopters, the right civilian back-up of every kind, and some reasonable prospect of a well-thought-out political process running alongside their difficult military mission?

David Miliband: I can certainly confirm that no decision has been made to send 2,000 troops or any other number to Afghanistan. Indeed, the UK has not been asked by the United States for any more troops, although we always keep the number under review for obvious reasons. The right hon. Gentleman knows that there has been some increase in the number of troops precisely to ensure better protection of the troops who are already there. The defence and protection of our troops is prominent in the minds of military commanders, as well as those of Ministers.

As the right hon. Gentleman knows from the debate about Afghanistan that we held earlier this year, it is vital that the Afghan Government lead the drive for a political solution under the tag of reconciliation. It is also right that the Afghan Government must be clear that the contract of which President Obama spoke last week includes a crackdown on corruption, which does so much to sap the confidence of the Afghan people, never mind the international community, in progress in that country.

T4. [267623] **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): On Afghanistan, is my right hon. Friend confident that the sort of security in Iraq that he mentioned in his opening remarks in topical questions will be sufficient to hold presidential elections this year?

David Miliband: We have always taken the view that elections need to be credible. Not only presidential but parliamentary elections are due next year—the latter are rarely discussed. Sustainable security improvements are vital for presidential and parliamentary elections. It is dangerous to profess confidence, but I am confident that a significant number of measures, including deploying extra troops from the US and the Afghan national army, are designed to ensure security for people seeking to exercise their democratic right on 20 August.

T3. [267622] **Patrick Mercer** (Newark) (Con): I know that the Foreign Secretary was as saddened as I was by the death of two young soldiers and a policeman in Ulster recently. I wonder whether he is therefore as disappointed as me by the indecent haste with which the security apparatus in the north seems to have been dismantled. Will he assure me that initiatives are in place to drive forward intelligence sharing with the Eire Government, so that we end the recent bloodshed as quickly as possible?

David Miliband: The hon. Gentleman speaks with great experience and he well knows that we are careful about discussing the details—or any sort of substance—of intelligence-sharing arrangements. The House shares a determination to ensure that those who perpetrated the terrible crimes, which claimed the lives of the soldiers, are brought to justice, and that everything is done to ensure the safety of soldiers—those who are stationed in Northern Ireland and also those, as in this terrible case, who are on their way to Afghanistan. They must be properly protected.

Mr. Edward Davey (Kingston and Surbiton) (LD): Following the Attorney-General's decision to refer the allegations about British complicity in the torture of Binyam Mohamed to the police, will the Foreign Secretary confirm that the police will be provided with all the

relevant papers that the UK's secret services have, even if their source was the intelligence services of another Government—be they American, Pakistani or Moroccan? Will the police be able to interview any Foreign and Commonwealth Office Minister, not just secret service agents?

David Miliband: Of course they will have access to all the necessary materials, as did the High Court in conducting its investigations. The intimation or underlying assumption in the hon. Gentleman's question that somehow the High Court inquiry did not have access to American or other papers is erroneous. We have had the debate precisely because the court had access to the American papers. I hope that the hon. Gentleman intended no slur on the work of the Attorney-General or the Metropolitan police. The work will take place under the precise terms that the Attorney-General set out, which are in line with this country's determination to abide by its national and international responsibilities.

T5. [267624] **Dr. Phyllis Starkey** (Milton Keynes, South-West) (Lab): Credible evidence of war crimes committed during Operation Cast Lead in Gaza are now arising from Human Rights Watch, Amnesty International and Israeli soldiers. If a culture of impunity is not to continue in the region and if those responsible for war crimes are to be brought to justice, will the Government support a UN Security Council move for an independent inquiry into all war crimes committed by either side during the Gaza offensive?

David Miliband: As I think I said when I made a statement to the House on the Gaza conflict on the first day back after the Christmas holiday—the conflict was still under way then—we take seriously all allegations of war crimes and they should all be properly investigated. At the moment there are investigations by the Israeli Government, the UN and the International Committee of the Red Cross. We wait to see the results of those investigations, but we must get credible answers. That is the basis on which we will judge the need for any action after those inquiries.

T6. [267625] **Norman Baker** (Lewes) (LD): Notwithstanding earlier statements made on different occasions, can the Foreign Secretary today give the House an absolute assurance that at no time since May 1997 has any person who has been subject to extraordinary rendition been detained and held on any British island territory?

David Miliband: I am racking my brains back to the statement that I made last February on the issue. I can confirm that we were informed of two people who were rendited through Diego Garcia, but the hon. Gentleman will have to get a proper written answer from me to that question, because I certainly would not want to mislead anyone on the issue. I have nothing further to add to the statement that I made here last February.

T7. [267626] **Mr. David Crausby** (Bolton, North-East) (Lab): Considering Estonia's first-class contribution to NATO's efforts in Afghanistan, what can we do to defend Estonia against cyber-attacks from its near neighbour Russia?

The Minister for Europe (Caroline Flint): I would like to echo my hon. Friend's comments about the valuable support that Estonia has given to our collective efforts in Afghanistan. I am pleased to inform him that assistance to Estonia is being provided through NATO's work to protect both its own and its allies' communication and information systems from cyber-attack. NATO has established the cyber defence management authority to oversee work in that area and a team of deployable experts who can respond in an emergency. NATO has also set up a centre of excellence in Estonia to conduct research into cyber-threats. Threats come in many forms. We should not underestimate those that come in the form of blocking technology.

T8. [267627] **Miss Anne McIntosh** (Vale of York) (Con): What does the Foreign Secretary hope to achieve from the G20 summit to defeat protectionism and promote free trade, and what in his view would constitute a successful summit?

David Miliband: I am pleased to answer that. In addition to the measures on financial regulation and macro-economic co-ordination and the help for the developing world, it is vital that international leaders first make the right statements against protectionism, and secondly, ensure the right mechanisms to follow them through. Those mechanisms began to be put in place at the Washington summit, but I look forward to the hon. Lady reading the final communiqué of the G20 summit, which I think will show substantial progress in a number of areas. She knows that the agenda for the G20 is much broader than that for the Washington summit, but I believe that there will be important progress in those areas, which will more than justify the leadership that has been given on the issue by the Prime Minister and the Government more widely.

T9. [267628] **Ann Winterton** (Congleton) (Con): What consideration has been given to the impact on UK foreign policy and on our commitment to Afghanistan and Pakistan of the potential cancellation of the A400M tactical airlift aircraft programme, which would have very serious consequences indeed for the deployment of any future rapid reaction force?

David Miliband: I do not know whether that is a question more designed for me or for my right hon. Friend the Secretary of State for Defence, but I can assure the hon. Lady that the rise in force projection in Afghanistan is very significant indeed. Obviously it is Pakistani forces that are operating in Pakistan, rather than coalition forces, but there is certainly no military constraint of the kind that she implied on coalition forces in Afghanistan at the moment.

Points of Order

3.34 pm

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): On a point of order, Mr. Speaker. On 3 March, Dr. Challoner's grammar school in my constituency received a final allocation letter for the spending on 379 sixth-form students for the financial year beginning tomorrow. Yesterday, the headmaster heard that the funding has been slashed by £119,000, so that it would cover only 362 students. Clearly, as the school already has 379 students, it cannot plan for a reduction at such short notice, so the decision will affect the quality of education offered to the school's students starting this week. Can you advise me, Mr. Speaker, whether the Secretary of State for Children, Schools and Families can be asked to come to this House to make an urgent statement on why the Government have removed this funding at the last minute?

Mr. Speaker: I cannot advise the hon. Lady about that, but perhaps she could try for an Adjournment debate. She could put her case there and a Minister would have to respond.

Dr. Julian Lewis (New Forest, East) (Con): On a point of order, Mr. Speaker. On 1 July, I received a written answer in reply to an inquiry about the security of the redaction process to deal with the 1.3 million receipts being processed. The spokesman for the House of Commons Commission, the hon. Member for North Devon (Nick Harvey) stated:

"It is... planned that the scanning of some 1.3 million documents and first stage redaction to remove details such as addresses, telephone numbers, banking details and account numbers will be undertaken under secure conditions by a contractor familiar with providing services to Government and Parliament whose staff have been security"—[*Official Report*, 1 July 2008; Vol. 478, c. 742W.]

vetted. Do you agree, Mr. Speaker, that it is a very different thing when something that is going to be published later is released early in some sort of journalistic scoop and when personal information, such as home addresses, telephone numbers and bank account details, are hawked around journalists with a view to selling material in a way that would undoubtedly be both a crime of theft and a crime under data protection legislation? Is there anything you can do, Mr. Speaker, to protect hon. Members against this sort of personal data being disclosed when this House has voted that it never should be disclosed?

Mr. Speaker: This House has in good faith, as the hon. Member for North Devon (Nick Harvey) pointed out, handed this work over to a contractor with security vetting, so I am deeply disappointed when any information like this has been put out. When a service is given by the House, it is obvious that security and confidentiality must be all-important. No one in that organisation, either for financial gain or any other reason, should be handing over information that has been put and safeguarded with it to do a certain job of work. I can confirm to the hon. Member that the House has started an inquiry to establish the facts relating to the release of personal documentation and to determine whether an offence has been committed. I shall of course keep the House informed whenever I can.

Council Tax Rebate

Motion for leave to introduce a Bill (Standing Order No. 23)

3.38 pm

Joan Ryan (Enfield, North) (Lab): I beg to move,

That leave be given to bring in a Bill to rename council tax benefit council tax rebate; and for connected purposes.

This Government have a proud record in reducing poverty among pensioners. Since 1997, a raft of measures, including the largest ever increase in the basic state pension, has helped to lift 2 million pensioners out of poverty and means that pensioners are, for the first time in our history, less likely to live in poverty than the working population. Too many of our pensioners, however, including our veterans who have served this country with courage and distinction, still live in poverty, so this is no time to rest on our laurels.

The House will be aware of the valiant campaign led by the Royal British Legion to increase levels of council tax benefit take-up. It has rightly highlighted that for many pensioners, council tax represents a significant outlay—in some cases, it is their largest single expenditure. I am sure that Members of all parties will recognise council tax as one of the most frequently raised issues on the doorstep, particularly among pensioners.

Council tax benefit was introduced to address precisely this issue: to help the most vulnerable members of our society with their council tax bills. But as it stands, as many as 2.2 million eligible pensioners do not claim council tax benefit, even though they are entitled to it. In fact, the level of take-up of council tax benefit has actually fallen by 10 per cent. over the past seven years for which data are available. This means that council tax benefit, which has the highest number of potential claimants, has the lowest take-up level of any state benefit. Nearly half of all pensioners who qualify for council tax benefit do not make a claim, and almost £1.5 billion of council tax benefit—money that has been set aside by the Government to help people pay their council tax bills—goes unclaimed each and every year.

The sum of £1.5 billion may sound like an abstract figure, but in real terms it would mean an additional £598 per year per eligible pensioner to help cover the costs of council tax. As 41 per cent. of pensioners living below the poverty line are entitled to council tax benefit but do not claim it, £598 is a very significant amount. Indeed, in many cases it would be sufficient to lift pensioners out of poverty altogether. A higher take-up rate of a council tax benefit could, therefore, bring about dramatic reductions in the level of pensioner poverty. Just a 10 per cent. increase in take-up would lift 47,000 pensioners out of poverty, and the Royal British Legion believes that as many as 20,000 veterans would be better off if they claimed council tax benefit. That is why the Royal British Legion was able to attract 25,000 signatures to the petition it presented to No. 10 Downing street at the end of February.

The Government accept that current levels of council tax benefit take-up are not good enough, and I welcome the fact that they have made it clear that pensioners are their priority group for increasing take-up. I believe that rebranding council tax benefit as

[Joan Ryan]

council tax rebate would increase take-up, especially among pensioners, and this is what my Bill seeks to achieve.

For accuracy alone, there is a strong argument that council tax benefit ought to be rebranded as a rebate. Effectively, council tax benefit assesses an individual's liability to pay tax and as such is misnamed at the moment. Using the term "rebate" rather than "benefit" would reflect more accurately council tax benefit's true nature as a reduction in tax liability, rather than a state benefit. There is also evidence to suggest that this simple renaming could encourage higher levels of take-up. Indeed, when my hon. Friend the Member for Oldham, East and Saddleworth (Mr. Woolas) appeared before the Communities and Local Government Committee in June 2007 as a local government Minister, the first suggestion he provided for ways to improve council tax benefit take-up was, without being prompted,

"To change the name to something that is not benefit".

In its final report, the Select Committee went on to endorse that sentiment, as its predecessor Committee did in 2004, and as have the Audit Commission and the Lyons inquiry into local government.

In his report, Sir Michael Lyons highlighted that when the old domestic rates regime was in place, the term "rebate" was used instead of the term "benefit". Take-up rates stood at 75 per cent. overall and were around 90 per cent. for older people then, which is substantially higher than the current estimated take-up rate of between 55 and 61 per cent. This discrepancy may, at least in part, be explained with reference to the stigma associated with claiming what are perceived to be benefits, which may deter some eligible pensioners from submitting a claim.

Many older people I meet in Enfield are proud of their independence and do not like asking for help, not least our veterans who fought for the freedoms that we all enjoy. Indeed, a survey conducted by Help the Aged suggested that as many as one in seven pensioners would not undergo means-testing, even if that meant foregoing benefits to which they knew they would be entitled. This is certainly the opinion of the Enfield Borough Over 50s Forum, which, I am pleased to say, supports my Bill. Its chairman, Mr. Monty Meth, told me that the forum—and with more than 3,000 members, it is one of the largest in the country—had

"first hand experience of people refusing to apply for reduced council tax because of the stigma attached to the idea that they are applying for benefits or for charity, when in fact they are claiming a rebate that is rightfully theirs".

Renaming council tax as a rebate would address the stigma associated with the term "claiming benefit" and remove this barrier to take-up. In my experience, older people have far less aversion to claiming back tax than to claiming benefits. The use of the word "rebate" would, therefore, provide pensioners with a greater sense of legitimate entitlement to the relief and, moreover, would be consistent with the second adult rebate, which is already administered by councils and provides a reduction in the council tax bill for some people.

In principle, the Government accept the case for this change. My Bill does not seek to change the rules that govern who is entitled to council tax benefit or to alter the amount of assistance people receive; it is simply about helping to implement a policy that the Government have already introduced. They accept that the take-up level of council tax benefit is too low, that a priority must be increasing the level among pensioners, including among our veterans, and that changing the name of council tax benefit, particularly by removing the word "benefit", would encourage a higher level of take-up, particularly among pensioners.

I do not think that any of the supporters of this Bill, who come from all parts of the House, think that a name change is some sort of panacea, but that is no excuse for inaction. There is no master plan, no one-size-fits-all strategy and no single solution to improving the level of council tax benefit take-up, and if Ministers are waiting for one, I fear that they will be disappointed and, more importantly, thousands of poor pensioners will go without the help to which they are entitled.

Increasing the level of council tax benefit take-up and reducing pensioner poverty, including among veterans, will require a variety of different strategies tied to local needs. That will involve central Government working in partnership with local authorities and using the creativity of voluntary organisations. Given that so many could benefit so much from such a small and straightforward change, I hope that Ministers will listen to the thousands of pensioners, including the 25,000 veterans who added their name to the Royal British Legion's petition, and agree that the case for renaming council tax benefit council tax rebate is compelling.

Question put and agreed to.

Ordered,

That Joan Ryan, Siobhain McDonagh, David Cairns, Jim Dobbin, Bob Russell, Dan Rogerson, and Mr. Nigel Evans present the Bill.

Joan Ryan accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 26 June and to be printed (Bill 82).

The Economy

3.49 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): I beg to move,

That this House has considered the matter of the economy.

In the week when the G20 leaders and Finance Ministers meet here in London, I am glad to have the opportunity to start this debate on the economy. We are now facing the most difficult economic situation we have seen in generations, with negative world growth this year—for the first time in 60 years—world trade collapsing at the sharpest rate we have seen since 1965 and industrial production falling in 54 of the 57 largest economies. By way of example, in the past year alone 4.5 million jobs have been lost in the United States, and last week we heard that Japanese exports have dropped by some 50 per cent. So this week, we have to show together that we can agree international solutions for international problems.

Thursday's meeting here is the opportunity to show that countries can learn from what has happened in the past, and can work together with a commitment to growth. We want growth to be sustainable, and for that to happen it cannot be kept just for the richer countries but must be shared. Trade must once again drive growth, and a global recovery must benefit both us and the developing and emerging economies, not just to meet what we need to do today, but to serve our long-term interests in the future.

Mr. John Redwood (Wokingham) (Con): Can the Chancellor tell us what is a prudent limit for borrowing in this country at present, bearing in mind the need to stave off any danger of bankruptcy or inability to raise money?

Mr. Darling: It is right that countries borrow if it is for the purpose of supporting the economy at a time such as this, when we are encountering substantial difficulties. That is very important, and I am not alone in believing that. Indeed, I saw on last night's "Newsnight" that the right hon. and learned Gentleman, who sat at the Cabinet table in the last Conservative Government with the right hon. Member for Wokingham (Mr. Redwood)—[Hon. Members: "Who?"] It was the shadow Business Secretary, and I am glad to see him in his place, supporting loyally—as ever—the shadow Chancellor. When the shadow Business Secretary was asked last night by Mr. Paxman what he would do to save jobs, he said:

"What I'd be doing to save jobs—trying to keep stability into the system, trying to join with the others in getting the worst of the global recession over and I would also be concentrating on bailing out the banks, concentrating on the toxic asset problem".

Mr. Paxman then asked:

"Would you borrow any money?"

The shadow Business Secretary replied:

"I'd be borrowing some money in order to go for a loan guarantee to help with the credit markets".

So he would be prepared to borrow to support the economy—

Mr. Kenneth Clarke (Rushcliffe) (Con): Will the Chancellor give way?

Mr. Darling: I will in a moment. The right hon. and learned Gentleman's appearance on "Newsnight" rang alarm bells in his mind as well as in other Conservatives' minds. He is right that it is important that we borrow money to support the economy now, but at the same time we are ready to ensure that in the medium term—like every country—we live within our means.

Mr. Clarke: I am glad that the Chancellor watched me. He probably saw that I agreed with the Governor of the Bank of England, with most of the world's Finance Ministers and with the President of Chile that, in view of the appalling state of our public finances, this Government cannot afford any further fiscal stimulus. I suspect that the Chancellor also agrees with those distinguished gentlemen: will he confirm that?

Mr. Darling: I certainly agree that it is necessary for us to be cautious. I agree in particular with what the Governor of the Bank of England told the Select Committee when he was asked about the prospects for growth in the world economy and in our economy. He said that the same factors that led the Bank to believe that there would be a recovery in the UK also suggest that there will be one in the world economy, and those factors included the large financial stimulus that has been injected. In other words, the Governor supported the view that we took last autumn that we had to support the economy, and we will continue to do that.

Mr. William Cash (Stone) (Con) *rose*—

Mr. Darling: I shall give way to the hon. Gentleman, but I just want to tell the House that normally I give way to most Members who wish to intervene, but I know that many Back Benchers want to speak in this debate and that Mr. Speaker has been concerned about the length of time that Front Benchers have been taking in economic debates. I shall give way, but then I shall make some progress. No doubt the hon. Gentleman wishes to ask about Europe.

Mr. Cash: I am sorry to disappoint the Chancellor—[Hon. Members: "Oh!"] I am disappointing the House too by the sound of it.

Does the Chancellor accept that the public sector debt figures that he gave in the pre-Budget report only a few months ago have now tripled, and that the most recent estimate by the Office for National Statistics is that it is £2.2 trillion? Does he accept, therefore, that the reduction in public expenditure and the increases in taxation that go with it make a nonsense of the statements he made in the pre-Budget report only a few months ago?

Mr. Darling: No, I do not. As I have said throughout this time, it is necessary for Governments to support their economies, and 19 of the 20 G20 countries are doing so. There is recognition across the world that in these extraordinary times we need to take extraordinary action to support our economy. It is equally true, as I have said time and again, that in the medium term we have to live within our means. I believe that we were right last autumn and that we are right now to continue to protect jobs, to support people and to support businesses. We are right to continue to repair the banking system and to make the reforms we need for the future. We are right, too, internationally to use the International Monetary

[Mr. Darling]

Fund and other international institutions to support developing and emerging economies; otherwise, that will not only damage them but affect us, too. We need to get world trade going and we need to ensure that the recovery is sustainable in the long term.

That was why last autumn I took the judgment that we needed to intervene. I rejected the suggestion that we should simply sit back and let the recession take its toll. That was what happened in the 1980s and 1990s, with disastrous consequences. We are helping people and businesses, with more than £1 billion going into the Jobcentre Plus network to help people find jobs. That is one reason why, still, more than half the people who lose their jobs get back into work within three months. That did not happen in the 1990s and 1980s.

We have given additional money to pensioners. Next week, the pension credit will go up from £124 to £130 a week. The state pension will go up to more than £95 a week. In January, we increased child benefit to more than £20 a week for the first child. The child tax credit will go up next week, and from Monday 22 million basic rate taxpayers will see a reduction in their income tax. That is real help for people up and down this country, at a time when the Conservatives have opposed every single one of those measures. They would have done nothing, as they did in the past. On top of that, we have put £12.5 billion into the economy through the reduction in VAT. The health in pregnancy grant is another measure that shows how we, even at this time, are ready to help people who need help, and it will come in at the beginning of next week.

It is important that at a time such as this we support people and businesses. It is imperative. I simply do not understand the policy whereby, in the face of all this, we should do absolutely nothing and hope for the best.

Mr. Philip Dunne (Ludlow) (Con): The Chancellor says that he wants to help businesses. Why, therefore, did businesses up and down the country last week receive new business rate demands significantly greater—in some cases, two or three times greater—than those they had paid the previous year? How is that helping business?

Mr. Darling: I shall come on to that in a moment. The hon. Gentleman supports his party in believing that we should not be spending any extra money. Time and again, Opposition Members say they want more of this and more of that, but they are not prepared to find the money for it. I believe it is important to support businesses, and one way in which we do so is by supporting the wider economy. When we consider what we have done—the £20 billion that went into the economy last year, the automatic payments into the economy through lower tax receipts and higher benefit payments—we see that we have increased such support as a percentage of what we produce. We have provided about the same level of support as the United States, Germany and China—indeed, most countries in the G20 have been prepared to take action because they recognise that it is necessary to support their economies and families and businesses.

We can afford to take that action because we were prepared as we came into this—[Hon. Members: "What?"] To put it another way, I firmly believe that we cannot afford to take no action. If we did so, the cost would be far greater. That is why the IMF said only in February:

"Some countries entered the crisis with greater fiscal space to expand".

It cited:

"Canada, China, France, Germany, the U.K., and the U.S."

We were in a position to take action, and we did so. The Opposition would have turned their backs on the people of this country. They would not have done what was necessary—just as they did not in the 1980s and 1990s. They were wrong then and they are wrong now.

Mr. George Osborne (Tatton) (Con): The Chancellor is talking about the decisions that were taken in the autumn. This afternoon, a letter from the former chairman of the Royal Bank of Scotland to the Select Committee on the Treasury has been published. It says that the evidence that the Treasury Minister, Lord Myners, gave to the Select Committee was not an accurate account of how much the Government knew about the size of Sir Fred Goodwin's pension. In other words, while the Prime Minister was pretending to be angry about the Goodwin pension, his hand-picked Minister knew about it all along. Does the Chancellor agree that unless, by the end of the day, Lord Myners can prove that what he told the Select Committee was true, he must resign?

Mr. Darling: I know that the letter sent by Sir Tom McKillop has been published. We are considering it and will respond to it, but we are in the middle of a debate on the economy for which the hon. Gentleman has been calling for weeks. He said he was desperate to set out his case, so I thought that he was going to intervene to tell me why it was wrong to do anything and why his policy of inaction and standing by was absolutely right. However, he chose not to do so.

I believe that it is right that we do that—

Mr. John Hayes (South Holland and The Deepings) (Con) *rose—*

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP) *rose—*

Mr. Darling: I shall make some progress, and then I will certainly give way.

We must continue to make progress with sorting out the problems in the banking system. There is no quick or overnight fix, but it is important that we build on the recapitalisation of the banks. We must strengthen and restructure them where appropriate, and of course it is also important that we strengthen the regulatory system. We have to ensure that the supervision and regulation of institutions—including hedge funds—here and abroad are more extensive than in the past.

We must make sure that regulation is more intrusive than it has been in the past—a point that, to some extent, we discussed with Dunfermline building society yesterday. We need to strengthen prudential oversight: in future, we must make sure that banks throughout the world have sufficient reserves and that systems are in place to put the brakes on lending, where necessary.

We must also ensure better co-operation within the EU. We need common rules but, at the same time, we must respect the need for national supervisors to ensure

an adequate system of regulation, here and throughout the world. The process of strengthening and improving the regulatory system is absolutely necessary, and of course it must be accompanied by a long-term culture change in bank boardrooms. Ultimately, it is the responsibility of banks' boards to get these things right, and it is important that they do so in future.

Mr. Andrew Tyrie (Chichester) (Con): Lord Myners has asserted that the RBS board exercised discretion to enhance Sir Fred's pension. Sir Tom McKillop flatly contradicts that, and he is supported by the minutes. In his letter, he says:

"There was no question of any discretion being exercised in relation to Fred's pension and no discretion was exercised in that regard by any other RBS director."

Does the Chancellor not now think that Lord Myners' position is unsustainable?

Mr. Darling: No, I do not. As I said earlier, Sir Tom McKillop's letter has just been released. We need to consider what he has to say, and we will respond in due course. However, we are 15 minutes into this debate and one would have thought that someone on the Opposition Benches had something to say about the economy.

Mr. Oliver Heald (North-East Hertfordshire) (Con): On a point of order, Mr. Speaker. I do not know whether you are able to guide the House, but when a witness is found to have lied to a Select Committee, would it be in order—

Mr. Speaker: Order. Is the hon. Gentleman referring to a Member of the other place? *[Interruption.]* I want a clear answer, and no interruptions.

Mr. Heald: I am asking for general guidance, Mr. Speaker—

Mr. Speaker: Order. Is the hon. Gentleman referring to a Member of the other place?

Mr. Heald: I would not do that, Mr. Speaker, because it might be out of order—

Mr. Speaker: Order. What the hon. Gentleman has to tell me is a yes or a no.

Mr. Heald: Well, I would not do that, Mr. Speaker—

Mr. Speaker: I am going to make this plain. If any Member of the other House is accused in this Chamber of lying, I will make sure that it is not reiterated in the Chamber. I think the hon. Gentleman was out of order in even raising a point of order in the manner he did. It is best that he resume his seat and keep quiet. That is the best thing he can do.

Mr. Darling: We have commitments from the banks in which we have shareholdings. RBS will increase its bank lending by £25 billion this year and next, and there will be £14 billion from Lloyds and more from Northern Rock.

Mr. Peter Bone (Wellingborough) (Con): Will the Chancellor give way?

Mr. Darling: Not at the moment. Even those banks in which we do not have shareholdings, such as Barclays, HSBC and others, have said that they will increase lending.

Dr. Stephen Ladyman (South Thanet) (Lab): Will my right hon. Friend give way?

Mr. Darling: I will in a moment.

That is important, because it is vital that we help businesses. For example, 100,000 businesses have already benefited from the extra time we have given them to pay taxes. We have also helped small companies by postponing the increase in corporation tax.

It is very important that we help businesses and I want to set out a little more of what we propose, but, before I do so, I give way to my hon. Friend the Member for South Thanet (Dr. Ladyman).

Dr. Ladyman: As my right hon. Friend says, we have taken shareholdings in banks. Has he estimated how much profit the Government will make if they return the shareholdings to the private sector when the banks' share prices recover?

Mr. Darling: Not yet, but I hope to be able to do so at some stage.

Mr. Bone: Will the Chancellor give way on that point?

Mr. Darling: No, I want to deal with the point about business rates because I am conscious of the fact that businesses in this country faced a 5 per cent. increase in business rates, simply because the increase is linked to last autumn's—last September's—retail prices index rate. However, RPI inflation has fallen to 0 per cent. in the past month and is expected to fall further. I want to help businesses, so I can tell the House that companies will be able to pay only a 2 per cent. annual increase this year and pay the remaining 3 per cent. smoothed out over the following two years. Local authorities will write to business rate payers to let them know what will happen and what their options are, so businesses need not contact local authorities at this stage. I believe that that will provide genuine help to businesses in this country, with 1.5 million properties gaining from the measure and about £600 million of payments being deferred. I am glad that the hon. Member for Ludlow (Mr. Dunne) raised the matter. I hope that he is still glad that he did so.

Mr. Mark Todd (South Derbyshire) (Lab): Has my right hon. Friend received representations from the aerospace sector on loan support to support sales of major items, which are greatly straitened by the present unwillingness of banks to support such sales?

Mr. Darling: Yes, I have, and I believe that my hon. Friend has raised the matter with the Economic Secretary in his capacity as a Minister at the Department for Business, Enterprise and Regulatory Reform. I am aware of the importance of supporting the aerospace industry. When I was Secretary of State for Trade and Industry, I was glad that we were able to support the industry in a number of ways. We shall continue to consider what else we can do.

Mr. David Heath (Somerton and Frome) (LD): Many businesses will welcome the business rates measure the Chancellor has just announced, but could it be coupled with the concept of automatic business rate relief for small businesses, raised in a private Member's Bill introduced by the hon. Member for Mid-Worcestershire (Peter Luff)? If local authorities are already writing to businesses, is there not the capacity at that point to determine whether they qualify for automatic small business rate relief, and so accomplish both measures in one operation?

Mr. Darling: I shall certainly look into the possibility of doing that. Anything we can do now to help businesses, especially small businesses, is well worth while. I shall ask the Secretary of State for Communities and Local Government, who is sitting beside me, to investigate further.

Mr. Doug Henderson (Newcastle upon Tyne, North) (Lab): Before my right hon. Friend moves from banking, may I tempt him with, I hope, a slightly easier question than the one asked by my hon. Friend the Member for South Thanet (Dr. Ladyman)? It is now accepted in Newcastle that the Government did the right thing by Northern Rock, bringing about stability and turning the bank around. Does my right hon. Friend anticipate that the bank will fully repay the loans?

Mr. Darling: I very much hope that it will. My hon. Friend knows that when we lent money to Northern Rock, there was a lot of scepticism—especially among the Conservatives—about whether we would ever get any of the money back. When we eventually nationalised the bank, there was downright hostility, but few would say now that that was not the right thing to do. Of course, we have new legislation, which would help us in future. However, Northern Rock has been able to repay, ahead of schedule, the money it borrowed from the Government. A loan of about £10 billion is outstanding, but I think it right, in the light of changed circumstances, to allow Northern Rock to re-enter the mortgage market. That is important.

Peter Luff (Mid-Worcestershire) (Con): *rose—*

Mr. Hayes *rose—*

Mr. Darling: I want to make more progress before giving way again.

It is important to remember that the fiscal action we have taken is reinforced by the monetary action taken by the Bank of England. Interest rates have fallen quite dramatically in the past few months, which is helping millions of people in this country—mortgage holders as well as business people.

Mr. Bone: Will the right hon. Gentleman give way on that point?

Mr. Darling: No—I am making progress.

In addition, we have given the Bank of England power to put more money into the economy, to ensure that we do not get deflationary pressures and that we do all we can to keep the economy going.

The Bank of England, in addition to buying Government gilts, will buy commercial paper and commercial bonds. As a result of its intervention, the 10-year gilt yields have fallen by about 0.5 per cent. since the announcement. We are doing the same as the United States, Switzerland, and Japan; other central banks will no doubt follow. The point is that in the face of unprecedented conditions, we are prepared to act—to provide substantial help for families and businesses, prevent the collapse of banks, protect people's savings in UK institutions, kick-start credit, and build a sustainable recovery. We are ready to seize the opportunities ahead. That is the difference—

Peter Luff: Will the Chancellor give way?

Mr. Darling: I will give way shortly, by all means.

That is the difference between our choice, and the choice that the Opposition have made. Our choice is to support jobs and help people to get back into work. More money for pensioners and families with children, more money in the child tax credit, basic rate taxpayers being helped by next Monday—all that is being opposed by the Tories. Those are not their priorities. Their priority is to introduce one proposal to help just 3,000 people in this country. If ever there was a policy for the few, not the many, that is it. That is the path that the Conservative Government have chosen.

Mr. John Maples (Stratford-on-Avon) (Con): Does not the Chancellor think that all the things he is doing, and wants to do, would be much easier to do if the Government had run a responsible fiscal policy over the past six years, and had run surpluses in the good years?

Mr. Darling: The hon. Gentleman has to remember that, over the past 10 years, our economy has had the longest period of stability in a generation. We were able to do more for the health service, housing and education. At no time did anyone anywhere in the House say that we should spend less—quite the opposite. In these debates, Members used to call for even more to be spent, so, no, I do not agree. I thought that at least one Conservative might explain why, when faced with the choice of whether to help people to get back into work, which has cost about £1.3 billion—that is what we are giving to Jobcentre Plus—they would instead spend the money on helping a tiny minority of people. In the scheme of things, one might have thought that the Conservatives' choice would be on the side of the many in this country, not just the few.

Mrs. Ann Cryer (Keighley) (Lab): I appreciate my right hon. Friend's giving way. Will he briefly comment on the disparity in the contributions made by building societies and banks to the Financial Services Compensation Scheme? The hon. Member for Dunfermline and West Fife (Willie Rennie) was in the Chamber just now. We have lost one building society; I would hate to see another go.

Mr. Darling: As I said yesterday, we want to do everything we possibly can to make sure that we support stability in the financial sector, including the building society sector. Indeed, yesterday, although it was very sad that the Dunfermline building society got into the position it did, at least we were able to transfer it to another building society; that is important.

Several hon. Members *rose—*

Mr. Darling: I will give way in a moment, but first I thought I might give the Opposition some further food for thought.

We face the most substantial economic downturn in generations. The whole world faces a financial crisis the like of which we have not seen for decades. The Conservatives might have thought that the No. 1 priority was to cut inheritance tax. Surely they would question not only having such a policy, but the fact that they cannot even pay for it. On 24 March this year, the shadow Chancellor told the BBC,

"what I'm saying is with the Conservatives' plans these are funded, on inheritance tax we will pay for it with the long-established proposals we've put forward on non-domiciles."

The next day, again on the BBC, the shadow Secretary of State for Business, Enterprise and Regulatory Reform said:

"We don't know how many non-doms will be here, we don't know how much our policy of raising fair taxation from foreigners who work in this country will raise".

In other words, the policy is not only unfair but unfunded. Does not that tell us everything we need to know about where today's Conservative party is?

Chris Huhne (Eastleigh) (LD): Given the Chancellor of the Exchequer's remarks, with which I entirely agree, about Conservative policy on inheritance tax, will he reconsider the Government's own cuts to inheritance tax in the forthcoming Budget?

Mr. Darling: No, because they are the right thing to do. At every stage, when we take action, we do it because we think it is fair and right. Faced with all the current problems that we and other countries have, it would be utterly wrong to make a priority of a measure that would benefit a very small number of people.

The Tories have a second policy. Not only do they oppose our putting money into the economy, but they are calling for £5 billion to be taken out of the economy, starting next week. That would mean taking money out of the police service and out of the environment at a time when we should be putting money into the economy. We can grow our way out of a recession; we cannot cut our way out of a recession.

Mr. Gerald Howarth (Aldershot) (Con): The Chancellor of the Exchequer has got a nerve. He is posing as the saviour of the millions of pensioners in this country. Does he not accept that it was his Government's action in removing advance corporation tax relief to pension funds that destroyed the pensions industry and millions of pensioners throughout the country? Furthermore, he accuses my hon. Friend the Member for Tatton (Mr. Osborne) of inaction. Where was the Chancellor's action when he set up the Financial Services Authority? It crucified the small independent financial adviser, but it failed to spot the big bankers making a huge mistake with the economy of the country.

Mr. Darling: I do not agree with the hon. Gentleman, as he will appreciate. In the past 10 years we have increased the state pension, we have introduced the pension credit, which is helping millions of pensioners by matching hard-earned savings, and we have taken many more pensioners out of tax. We will continue to do everything we can to help older people, because that is the right thing to do.

I believe that at a time like this, Governments across the world need to take action. They need to support their economies. Yes, of course they must take action to ensure that they live within their means in the medium term, but we must also ensure that we support our economies, continue to get credit going again and sort out the banking system: together, internationally, we must get international trade going again. We need to do everything we can to help the emerging markets and to prevent people from falling into poverty, because that would be a scandal.

There is a moral imperative on every one of us to do everything we can, both here and abroad, to make sure that we help people in this difficult time. We are committed to doing that. The sad fact is that the Conservatives will be committed to doing nothing. I look forward to hearing exactly why.

4.17 pm

Mr. George Osborne (Tatton) (Con): I begin by welcoming the Chancellor to one of the debates that we have been having in the House of Commons on the economy, even if he chose to speak for only about half an hour on it.

As always with the right hon. Gentleman, the most interesting parts of his speech were the bits that he left out. I notice that he did not repeat his pre-Budget prediction that the British economy would start growing in 12 weeks. I notice that he did not repeat his prediction that the Budget deficit would be a mere 8 per cent. of national income this year, because he knows that it will be higher. I see that he did not even try to mount a credible defence of the VAT cut, which cost £12 billion—he mentioned it in passing. Perhaps that is because Labour MPs are queuing up to say that it should be scrapped.

I could not help noticing that there was no reference to the grand global bargain, even though the Prime Minister is supposed to sign that in a couple of days. A whole Government White Paper was produced by the Treasury on the grand global bargain, yet it does not even make it into the speech from the Chancellor of the Exchequer two days before it is supposed to be signed at the G20.

Were it not for my hon. Friends' interventions, the Chancellor's speech would not have mentioned the Prime Minister's ambitions for a second fiscal stimulus or the fact that the Governor of the Bank of England has put the kibosh on that. Listening to the Chancellor, one would never know that the Government's entire economic argument that they have advanced against their opponents had collapsed in that defining moment when Mervyn King said that the country could not afford to borrow more for a second fiscal stimulus.

We heard the rehearsed lines on my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke). Let me say this about the former Chancellor and inheritance. He left this country with a golden economic legacy, whereas the present Chancellor will leave the worst inheritance any Government have left since the second world war. The right hon. Gentleman had a dig at me and at my right hon. and learned Friend. I read the interview with the Secretary of State for Children, Schools and Families in which he openly pitched for the Chancellor's job, and I hear all the briefings from Downing street that the Chancellor is to be moved in

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the next couple of months. Frankly, by the time of the next election I am a bit more likely to be in my job than the Chancellor is to be in his.

The Chancellor did talk about the G20. I shall come to considerable areas of disagreement, but there is some common ground on the G20. We welcome the fact that the summit is happening and that it is to take place here in London. We hold out real hope that substantial achievements can be made, provided that the Prime Minister resists the temptation that he always has—to fight his domestic battles and look for political dividing lines.

Skilfully chaired, the meeting on Thursday could achieve a real breakthrough on free trade, for example. By "breakthrough", I do not mean warm words in the communiqué about how we will resist protectionism and not turn inwards; we had exactly those words in the communiqué signed in Washington at the last G20. Since then, as the Chancellor well knows, 17 of the 20 leaders who attended the conference have increased protectionism, 47 new protectionist measures have been introduced, the Indians have increased agricultural tariffs, the US Congress has passed "buy American" clauses, the French Government have boasted about the jobs that France is taking from eastern Europe and our own ludicrous Prime Minister has gone around repeating the slogan about British jobs for British workers, even though not a single member of his Government will repeat it alongside him.

Meanwhile, world trade is contracting for the first time in 30 years and the engine of global growth, on which we have come to depend, is spluttering to a halt. Completing the Doha round this spring would send not only a massive boost to the world economy, but a massive message to the world of confidence in our future. The G20 also looks likely to agree a substantial increase in resources for the International Monetary Fund. We welcome that, although I am disappointed that the Chancellor does not think that IMF reform should be on the agenda; I would have thought that, with China, India and Brazil attending the G20, this is a moment when we could get some real reform.

Mr. Darling *indicated dissent.*

Mr. Osborne: The Chancellor shakes his head, but the last time we exchanged remarks about IMF reform across the Dispatch Box, he said that it should not be attempted at the moment because it would be too difficult. As I say, that is disappointing.

We want the members of the G20 to live up to the commitments on aid signed at Gleneagles by the G8, because all of us in the House appreciate that the poorest countries are the silent victims of the credit crunch. On financial regulation, the test will be whether the G20 engages with or ducks the difficult issues. We can, of course, expect a strongly worded statement on bankers' bonuses and offshore tax havens; the Government would have more credibility on those issues if the Prime Minister dealt with Lord Myners. The vote of confidence that Lord Myners got from his boss, the Chancellor of the Exchequer, was hardly a ringing one. We await events this afternoon.

It would also be good to have reform of the structure of banking. I noticed that although Paul Volcker, Nigel Lawson and the head of the Bank of America are all saying that we should look at dividing narrow banking from investment banking, the only person in the world who wants to shut down that debate is the Prime Minister, who has already made up his mind and does not want to listen to any other argument. It would be useful to have that debate in the G20.

Those are all tests for the Prime Minister as he chairs the summit. *[Interruption.]* I am glad to hear that the hon. Member for Blyth Valley (Mr. Campbell) is confident that the Prime Minister will pass all those tests. Of course, the real test will be whether he is focused on the right objectives in the build-up to the summit or whether we will end up with what Lord Malloch-Brown candidly called

"meaningless, empty commitments which don't survive the flight home".

The fear is that the Prime Minister is not focused on those objectives but has instead wasted his energies on trying to use the international stage to fight his domestic political battles. After all, as the Chancellor knows perhaps better than anyone, the Prime Minister will look for the domestic political advantage in everything. He cannot help himself.

The Prime Minister's plan has been pretty clear since the beginning of the year. He wanted to get all the G20 leaders together in London and make them sign up to a second round of fiscal stimulus. He then wanted to unveil the British version of that second fiscal stimulus three weeks later—in the Budget, which he delayed for the purpose—and to leave the Opposition on the wrong side of one of his pathetic dividing lines. Well, if that was the plan, it has spectacularly backfired. The result is hardly the springboard for yet another political relaunch by this Prime Minister but actually proof that the Prime Minister is the one who is isolated, while European Governments are lining up with us to warn about the dangers of borrowing more.

Mr. Redwood: My hon. Friend is making his usual, very powerful, case. Does he agree that the Chancellor should be pitied, because his predecessor set up his own regulatory system, made himself head of it, and had no foresight when six major financial institutions went under for lack of capital, which he had failed to monitor?

Mr. Osborne: My right hon. Friend is completely right. One of the most ridiculous positions that the Government have got themselves into, which all Labour Members will be defending come the general election, is that the system of financial regulation that allowed the collapse of the UK banking system does not need to be changed. That is what they will go into the general election defending, whereas we argue that the Bank of England should have back the powers to monitor overall levels of debt in the economy so that we do not repeat the mess that the Prime Minister has visited on us.

Clive Efford (Eltham) (Lab): Can the hon. Gentleman reflect on this for a moment? We are about to have a meeting of G20 leaders in the UK, at the instigation of the Prime Minister, with an agenda to try to tackle globally the current downturn. Does the hon. Gentleman really think that the British people think that he has the

gravitas to achieve that sort of meeting and the coming together of minds to try to deal with this? Does he really think that people would listen to him given the several positions that he has held on many major issues over the past 12 months?

Mr. Osborne: The last time I looked at public opinion, we were the people who were trusted on the economy, not Labour; the public were opposed to a second fiscal stimulus, not in favour of the Government's policy; and the man chairing the G20 was about the most unpopular Prime Minister that this country has ever had—so when it comes to credibility at the G20, we will see what other European Governments think of him.

Dr. Ladyman *rose—*

Mr. Osborne: Let me take another question, particularly as we are going to take the hon. Gentleman's seat at the next election.

Dr. Ladyman: The Conservatives have been saying that for 12 years now.

Before the hon. Gentleman leaves the subject of banking regulation, would he like to point to any speech that he made prior to this crisis in which he indicated that there was the wrong level of banking regulation? Would he like to contrast that with the speech that he made after Northern Rock went under, when he said that the problem was too much regulation?

Mr. Osborne: I can point the hon. Gentleman not only to numerous references by me and my colleagues to the growing debt levels in our economy but to the fact that we fought the last general election—in complete contrast, by the way, to what the Chancellor said—arguing that we were spending too much as a country and needed to slow the growth in spending. Since the hon. Gentleman says that he has been in this House for 12 years—he will not have much longer—I point out to him that 12 years ago my hon. Friends who were in Parliament at the time raised concerns about the tripartite arrangements in numerous debates, and those predictions have been borne out by events.

Mr. James Plaskitt (Warwick and Leamington) (Lab) *rose—*

Mr. Osborne: The hon. Gentleman is clutching the Whips' handout, so let us hear what is on it.

Mr. Plaskitt: I will tell the hon. Gentleman what I am clutching—the Conservative election manifesto from 2005. As he mentions the Bank of England and the tripartite arrangement, and all his warnings, can he explain why that manifesto, on which he stood for election, includes a discussion about the Bank of England with not one word about the tripartite arrangement, the level of bank regulation or credit expansion? When did he have his convenient conversion on all those subjects?

Mr. Osborne: I think that the hon. Gentleman will remember that during that election campaign we repeatedly raised concerns about the levels of debt. As I say, he has a choice—

Chris Huhne: You are in favour of tax cuts.

Mr. Osborne: That is rich coming from the Liberal Democrats, who are proposing to spend even more than the Government. We would be in an even bigger hole if they had, by some miracle, won the general election. *[Interruption.]*

Mr. Speaker: Order. Mr. Browne, you are normally quiet, so get back to normal.

Mr. Osborne: The truth is that given all that has happened in the last 18 months, Labour Members are going to fight the next general election on a commitment to maintain the tripartite committee—to maintain exactly the relationship between the FSA, the Treasury and the Bank of England. That is not a credible position given what has happened, and we are the ones coming up with answers about how to reform it.

In the last few days, a whole string of European leaders have queued up to agree with our arguments about debt. The German Chancellor said:

"I will not let anyone tell me that we must spend more money."

The Spanish Finance Minister said:

"In these conditions, I…believe there is no room for new fiscal stimulus"

The Czech Prime Minister, and the current President of the European Council—before the Chief Secretary to the Treasury sneers at him—says:

"All…these steps are the road to hell".

John Reid (Airdrie and Shotts) (Lab): In view of the shadow Chancellor's comments, will he confirm that the German stimulus is not less than that of the British, but 1 per cent. of GDP above it?

Mr. Osborne: The German Government went into this downturn with a surplus and the scandal is that the Government of whom the right hon. Gentleman was a member, and those at the Cabinet table around which he sat, agreed to spending plans that were completely unaffordable and which left us with the biggest budget deficit of any western economy going into this downturn. He did not fix the roof when the sun was shining and we are all having to pay the price now.

John Reid *rose—*

Mr. Osborne: The right hon. Gentleman can explain himself.

John Reid: The shadow Chancellor has given a long answer to a question that was not asked. Will he confirm that despite what he has said, twice, about the German Government agreeing with his position of not having a fiscal stimulus, their fiscal stimulus is the equivalent of 4 per cent. of GDP, which is 1 per cent. more than ours?

Hon. Members: Admit it!

Mr. Osborne: Let me just say this to the right hon. Gentleman: the question is—[Hon. Members: "Answer!"] I will answer his question. He is the one handing out the Whips' handouts. Of course the German Government have engaged in a round of fiscal stimulus, just as the US Government have. But the difference between the German Government and the British Government is that the former were led by people who put aside money so that Germany would be better prepared when the economy turned down. The truth is—this is what the right hon. Gentleman will have to reflect on when he thinks about his time in the Cabinet—that he never once challenged the Chancellor of the Exchequer of the day, who was spending and spending and spending, racking up debt in the good years, so that when the

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economy turned, there was nothing left for us to deal with the economic downturn. That is the true story of the Blair years.

Chris Huhne: Will the hon. Gentleman give way?

Mr. Osborne: It is very odd; I usually take interventions from the hon. Gentleman, who is sort of bidding for the job of finance spokesman, even though he is the shadow Home Secretary—or whatever they call themselves in the Liberal Democrats.

Chris Huhne: I am grateful to the shadow Chancellor for giving way. Given what he said about the German position, how does he explain the fact that the German general government-to-debt ratio was substantially higher at the beginning of this recession than ours was—in fact, it was a matter of some 20 percentage points of GDP?

Mr. Osborne: If we had a true account of British Government debt that included the PFI and Network Rail liabilities, British debt would be significantly higher. Secondly, British debt is now rising at a faster rate than anyone else's because our budget deficit is higher than anyone else's. Surely the hon. Gentleman cannot be happy with the fact that this Government are running the highest budget deficit that Britain has known in peacetime—higher than when Denis Healey went to the IMF. Surely he cannot be happy with that.

As I was saying, European Governments are now lining up in agreement that there should not be a second fiscal stimulus, which completely shoots away the ground on which the Prime Minister thought that he would stand at the G20. Faced with that icy response, he went on that rather bizarre trip to south America last week. Even his most loyal henchmen would struggle to call that trip a success. First he went to a half-empty European Parliament and found that the response to his speech by a Conservative MEP got 1.6 million hits on the internet and no one noticed a word that the Prime Minister said. Then he crossed the Atlantic to continue his campaign for more spending, only to find that while he was away the Governor of the Bank of England had said that the country could not afford more fiscal stimulus, and in effect had cut up his credit card.

Finally, the Prime Minister made it to south America, where not only was he ticked off by the President of Brazil and stood up by Pelé, but the President of Chile gave him a lecture on sound public finances. Instead of addressing the G20 agenda, the Prime Minister was reduced to saying that he would reform the monarchy and that we would keep the Falkland Islands. That is how the chairman of the G20 used the week before the meeting to prepare for that summit. Where is the sense of priority in this Government?

What is left of the main economic argument that the Government have deployed against us since the autumn—that Britain needs to spend and borrow its way out of recession? It was striking at Treasury questions last week that, when pressed twice, the Chancellor could not bring himself to agree with the Governor of the Bank of England on fiscal stimulus. He was challenged twice to agree with the statement that the

"fiscal position in the UK is not one that would say, 'Well, why don't we just engage in another significant round of fiscal expansion?'"—[*Official Report*, 26 March 2009; Vol. 490, c. 443-44.]

That is the argument that we have been making, and the Chancellor did not take the opportunity that he was given to agree with it. Indeed, when my hon. Friend the Member for West Chelmsford (Mr. Burns) asked the Chancellor to express confidence in the Governor of the Bank of England, he ducked that question too.

I would have thought that the Chancellor of the Exchequer should see the Governor of the Bank of England as a key ally. For weeks, presumably with the Chancellor's knowledge, the Treasury has been briefing everyone that actually he agrees with the Governor, the CBI and all the other organisations that are lining up to say that this country cannot afford a second fiscal stimulus. The Chancellor's disagreement is not with the Governor, but with a Prime Minister who thinks that we can borrow our way out of debt.

Even if the right hon. Gentleman makes it to the next election and, by some remote possibility, his party wins that election, he knows that he will not be reappointed as Chancellor. Everyone knows who the Prime Minister's top choice as Chancellor is—the Secretary of State for Children, Schools and Families. This is the Chancellor's moment in that great office of state. Does he want to go down as the Chancellor who stood by and let his Prime Minister lead the country down the road to fiscal insanity, or as the one who did something to stop that Prime Minister? That is the choice that he has to confront in the next three weeks—does he do the right thing and face down his neighbour, in which case he will earn the gratitude of the country, or does he cave in? *[Interruption.]* The hon. Member for Stockport (Ann Coffey) wants to talk about the measures that the Government are taking. Let me take one example, the working capital scheme.

For five months, since November, we have been calling for a national loan guarantee scheme to support businesses that need credit. In early January, the Government finally conceded that we had a point and promised a guarantee scheme of their own. It was called the working capital scheme and was supposed to start on 1 March. It did not, and businesses desperate for help were left out in the cold again. Then the Business Secretary reassured them and said, "Don't worry, the scheme will be operational in March as originally announced." It is now the last day of March, so where is the working capital scheme that was promised for 1 March and then promised to be delivered by the end of March? Companies are going bust and thousands of people are losing their jobs because businesses cannot get credit, and the scheme announced by the Government in January and promised for March has still not been delivered. That is a scandal.

Of course, that is the truth of so many Government schemes. The home owners mortgage support scheme, announced in December—not a single home owner has been helped. The automotive assistance programme was announced two months ago—still not a single loan has been made to car firms. The national internship scheme—it was never heard of again. The Government's slogan of "real help now" is a cruel joke to businesses and people losing their jobs up and down the country.

Mr. Dunne: Is my hon. Friend surprised to learn, as I was, that the directors of Technorton, a small business in my constituency that went into administration this morning, laying off several constituents, had been trying for the past few weeks to get access to the enterprise finance guarantee scheme? The scheme is much trumpeted

by the Chancellor as one of the few that actually work, but when the directors applied for it, they were told that funding would be available only if they first put in personal guarantees. They had already exhausted those by backing the business, so they looked to the Government for help. None was available, hence the business is now in administration.

Mr. Osborne: I suspect that almost every hon. Member could tell a similar story. The Chancellor sits there and will not even answer the basic question of why the working capital scheme and the loan guarantee scheme, which we have discussed in the House for months, are not operational now that we have reached the end of March. Will he intervene and explain that to the House?

Mr. Darling *indicated dissent.*

Mr. Osborne: Why will he not intervene?

Mr. John Baron (Billericay) (Con): Does my hon. Friend accept that, although the Government may scoff at individual examples that Members present to the House, surveys throughout the country, especially from the Federation of Small Businesses and local chambers of commerce, show time and again that the majority of local businesses do not believe that any Government schemes will improve lending or terms? That is third-party confirmation that the Government schemes are not working.

Mr. Osborne: My hon. Friend is right. Not only Conservative Members have complained—if the Chancellor had attended some of our previous economic debates, he would have heard Labour Members complain regularly about the schemes not being operational. Last week, the hon. Member for Coventry, North-West (Mr. Robinson) said that

"as far as industry is concerned, we just don't have those schemes working yet. And that's where we've got to put the pressure at the moment."

Hon. Members have an opportunity in this debate to put pressure on the Government to fulfil their promises. Getting credit flowing is crucial in a credit crunch. Agreement at the G20 is important, but in the end, confidence will not return and recovery will not come until we have a Government who understand that the debt-fuelled model of economic growth which they pursued for the past 10 years is fundamentally broken.

Our Prime Minister shows no sign of that understanding. He continues to assert that Britain is better placed than most economies to weather the storm. Yet, when he looks around the table of G20 leaders, he will see no one else with a budget deficit as large as Britain's, according to the IMF, and no one else who will have a longer and deeper recession than the United States, according to the OECD. He continues to argue that the recession is caused by a banking crisis that blew in from America on an otherwise sound economy. *[Interruption.]* The hon. Member for St. Helens, North (Mr. Watts), who is the Government Whip, says he never said that. The problem is that the Prime Minister kept saying it from the Dispatch Box. That has been the Government's main economic argument—that we are suffering some banking crisis from America. The truth is that it is caused by 10 years of building an economy on debt and the Government are now reaping the consequences.

Richard Burden (Birmingham, Northfield) (Lab) *rose—*

Mr. Lindsay Hoyle (Chorley) (Lab) *rose—*

Mr. Osborne: I must give way to the hon. Member for Chorley (Mr. Hoyle), since I visited his constituency on Friday.

Mr. Hoyle: Which the hon. Gentleman failed to tell me. Not to worry, it is the second time, so it is not a problem.

The hon. Gentleman rightly uses the Federation of Small Businesses as an advocate of how policies should be developed. If he accepts its recommendation and that of JCB, Corus and other major industry, will he back short-time work subsidies as a way forward to ensure that we protect the jobs that matter to all of us and save manufacturing for the future?

Mr. Osborne: Of course I am sympathetic to those who are desperate to keep their jobs and to people who have lost their job. I would like to help them by providing a national insurance rebate for employers who take them in. The problem is identifying the cost of the hon. Gentleman's proposal. He asks a good question. I think that I am right that he opposed the Government's VAT cut and proposes that they should give back that money. Perhaps he will suggest that they use it for his scheme. So that we have it on the record, will he confirm that he does not support the Government's principal fiscal stimulus—the VAT cut?

Mr. Hoyle: Let me give the hon. Gentleman the answer that he seeks: the scheme would cost £1.8 billion, which would save 600,000 jobs a year. That is the sort of stimulus that one could use if we ended the VAT cut.

Mr. Osborne: There we have it: another Labour MP who does not agree with the principal component of the pre-Budget report announced by the Chancellor just a few months ago.

Richard Burden *rose—*

Mr. Osborne: I promised to give way to the hon. Gentleman, but this will be the last time that I give way before I conclude.

Richard Burden: When the hon. Gentleman answers my question, perhaps he could start by also answering the question that my hon. Friend the Member for Chorley (Mr. Hoyle) asked about whether he supports a short-time subsidy, to which I did not hear an answer. How would the hon. Gentleman's loan guarantee scheme work? Does he insist that a national loan guarantee scheme would work if it had no money behind it, or does he say that it would indeed have money behind it? In which case, does he agree with the shadow Business Secretary, his right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), who says that if such a scheme were introduced, the taxpayer would take some kind of hit?

Mr. Osborne: The person whom I agree with is the Economic Secretary to the Treasury, who says of the loan guarantee scheme:

"We expect the measures to be run on a break-even basis".—[*Official Report*, 14 January 2009; Vol. 486, c. 220.]

That is the Government's assessment of the cost for loan guarantees: a "break-even basis". The Economic Secretary is right in that judgment, which is also the judgment on which we rest our argument.

[Mr. George Osborne]

What we have is a Prime Minister who presides over this economic wreckage, who clings to the seat of that aeroplane, who says that he has nothing to apologise for and who really believes it. That shows how detached he is. The country faces a fiscal crisis, yet all the anchors of fiscal policy have been cut loose. There are no fiscal rules and the spending reviews have been cancelled. It is the Opposition, therefore, who have to come forward with proposals for an independent office for budget responsibility and genuine restraints on public expenditure, so that this country lives within its means.

The country faces a crisis in the institutions of banking regulation. We have a Prime Minister who refuses to accept that anything went wrong because he happens to be the person who set up the system. It is therefore the Opposition who have put forward the detailed plans to give the Bank of England more power. The country faces a crisis of growth because the economy is contracting. The narrow engines of economic prosperity upon which the Government relied for 10 years—property and finance—have disappeared, yet in the words of the director general of the CBI, the Government have

"little sense of a coherent strategy"

about what to do next. It is the Opposition, therefore, to whom the country now turns to reform our education and welfare systems, wean our economy off its addiction to debt, provide support for savers, encourage low-carbon technologies, rebuild manufacturing and restore confidence in the economic prospects of our children. The truth is this: we are the future and Labour is the past. The sooner the country can vote for change, the sooner confidence will return and the recovery will begin.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Order. May I remind all right hon. and hon. Members that Mr. Speaker has imposed a 10-minute limit on Back-Bench contributions?

4.47 pm

John Reid (Airdrie and Shotts) (Lab): We are facing problems the likes of which none of us here has ever seen during our time in the House. The shadow Chancellor referred to the legacy of the Blair Government. I share responsibility for that and I share pride in it. When I consider the 700,000 people who are not on NHS waiting lists now or the people who are not losing their sight waiting for a cataract operation or dying because they need heart surgery because we have reduced the maximum time between the doctor's surgery and the operating theatre from some three years to 18 weeks and the average time to eight weeks, I think that, far from being useless expenditure, that is money well spent.

Let me also tell the hon. Member for Tatton (Mr. Osborne) that as we spend that money during the good times, so we aim to protect people during the difficult times. Although today the shadow Chancellor made a few telling points against the Government, who must share some responsibility, as everyone else does—indeed, as his party leader has said, the Conservatives share some—nevertheless, to take the position that during such a recession we will do nothing and ought to do nothing to protect ordinary people is not sustainable. I genuinely believe that the hon. Gentleman has not risen to the occasion that the opportunity gave him. When he said that he will be in his position as shadow Chancellor right up to the election, perhaps his ambition is too modest. I fear that he may well be in his position as shadow Chancellor well beyond the next election.

Let me turn to the great challenges that face us, and they are indeed great. We are dealing simultaneously with a fairly typical recession and, on the other hand, a very far from typical financial crisis. The first of these requires a huge stimulation of demand and the second—the financial crisis—requires intervention to ensure solvency, liquidity, oversight, regulation and transparency in the financial sector. That statement is agreed by just about everyone in the world so far as I can see—except for Conservative Members. Both those elements require the widest and most measured range of co-ordinated international action.

For most of the world, this is not actually a debate about whether we should borrow or not, or about whether we should have stimulus or not; rather, it is a debate and discussion about the extent, the quantity and the measure of that stimulus and of that borrowing. This debate is taking place with every Head of State who is arriving here and with every Prime Minister, too. The only people sitting outside the framework of that discussion are, unfortunately, Members of the Conservative party—with the exception of the shadow shadow Chancellor, the right hon. and learned Member for Rushcliffe (Mr. Clarke).

It is always easy to criticise the Prime Minister, as the shadow Chancellor did today. I think, however, that that is grossly unfair. *The Independent on Sunday* said that, and I agree; indeed, it not only unfair, but untrue. If the Prime Minister set his sights high and if the plans he pursued were of a magnitude unprecedented in the experience of most Members here, that is only because the challenges that we face are unprecedented. If the Prime Minister—it is the Prime Minister who is leading—fails to achieve everything he set out to achieve, or if he achieves only half of it, it will still be a light year away from what would have been achieved by a policy of doing nothing. The nation ought to be grateful for that.

So I believe we should avoid undue pessimism this week, as we tried to avoid the over-hyped press expectations last week. Let us remember three or four aspects of this whole debate. First, we have a range of weapons in our armoury, so the debate is not just about an additional stimulus. As I understand it, the Conservative party did not agree with the Governor of the Bank of England, because it objected not only to the next potential stimulus but to everything that has been done up to now, which is clearly different from the Governor of the Bank of England. We have automatic stabilisers, discretionary stimuli and quantitative easing, so we should not get particularly hung up on one specific example.

Secondly, let us remember that national predilections and preconceptions are not just irrational or political or ideological stances; they are shaped by the history of each of our countries. I do not blame a country such as Germany, with its sensitivity and great concern about the effects of hyperinflation in the light of what happened in the 1930s, for being rather cautious when it comes to the question of stimuli.

Thirdly, the point I made is absolutely correct. Even with that caution, Germany's stimulus has been 1 per cent. above what has been done in this country up to

now. In the UK, our stimulus has already been significant; although a discretionary stimulus amounts to only about 0.5 per cent., the automatic stabilisers brought in about 2.5 per cent. of gross domestic product of further stimulus. It is significant by international standards.

Mr. Redwood: Will the right hon. Gentleman tell us why, despite the slump, inflation is still 60 per cent. above target? Is he at all worried about printing lots of money?

John Reid: It is a matter of measure, is it not? Yes, I would worry if we printed too much money, but we have to take the advice of the Bank of England and others on quantitative easing, as we have to do on other matters. Again, there is no issue about whether we should have quantitative easing or printing of money; the debate is about the extent, the application and the effect they will have.

I want to speak about an issue that has unfortunately not been mentioned in either of the speeches so far. When it comes to the second area—that of financial regulation—I shall express my view about the leaked communiqué. I do not usually like using such communiqués, and my right hon. Friend the Chancellor will know that for many years I condemned anyone using leaks; on this occasion, this was thrust into my hand as I approached the Chamber. Sections 14 and 15 are, in my view, very weak on a question that I believe is vital to the oversight and regulation of the financial sector—I refer to the word "transparency".

I believe that the three Graces that are necessary in order to revitalise that sector effectively are oversight, regulation and transparency, and the greatest of these is transparency. It is a crucial area with which to enhance oversight and regulation, but it must be done in a way that works with, rather than against, the market. That should be one of our primary objectives, because if regulation becomes an imposition—a punishment, a central diktat—that effectively tries to run the markets, rather than regulation, oversight and transparency being a means of assisting the rational workings of the market, we will end up not curing, but killing, the patient.

Mr. Cash: Will the right hon. Gentleman give way?

John Reid: Let me avoid Europe for now, as I shall address it later.

I say to the Chancellor that I hope he and the Prime Minister will set down as one of our primary G20 objectives the restoration of a degree of confidence in the financial sector by doing, in so far as is possible, the following four things: first, we must make sure that the information necessary for market transactions is available to everyone; secondly, we must ensure that market participants have access to all data; thirdly, that must not be restricted by cost; and fourthly, the data and information must be provided from neutral sources. If we do not achieve that, I do not believe we will go any way towards having significant oversight, regulation and improvement in the financial sector. This—

Mr. Cash: Will the right hon. Gentleman give way?

John Reid: I have two minutes and 30 seconds left, and I hope the hon. Gentleman will accept that I must make some progress because, unlike the Conservative party, I want to put forward concrete proposals.

I urge the Chancellor to recommend the following key principles when he meets world leaders at the G20 later this week. First, there is the principle of non-discriminatory access to pre and post-trade data, which includes accuracy and timely data, an essential ingredient for transparency. Secondly, data should be made available at reasonable cost as described under the European legislation, MiFID—the markets in financial instruments directive. There must be clearer guidance on what constitutes reasonable cost. Thirdly, there should be high-quality raw data; that is imperative for sound decision making, and I believe greater transparency is needed to identify who is submitting incorrect data. I come to this subject having never held a Treasury post among my nine Ministries. That is not a statement of avoidance of responsibility; it is a confession of relative inexperience in this area. However, it surprises me that sourcing data do not exist in financial markets. Finally, there must be effective consolidation of raw data, and in Europe that is currently impeded by an absence of common reporting.

I believe these principles should be introduced in the discussions and that the Government should set up an ongoing transparency group under the auspices of the G20 to assist in the implementation of the principles agreed at a global level. Why? Because of liquidity. I have previously spoken about inter-bank lending. As we look further into the opacity of some of these deals, through derivatives and into the credit default swaps, it will become clear that it is impossible to return confidence to the market unless there is more transparency than exists at present. The most obvious example of this is the market in credit default swaps. Some of the information that is put out in this most difficult of areas is largely controlled by the banks. If ever there was a case of people marking their own homework, it is in the credit default swaps market, where there is lack of both transparency and control of regulation. I believe doing this is essential for confidence, and that it should be a major element this week. I commend this approach to my right hon. Friends the Chancellor and the Prime Minister.

4.59 pm

Dr. Vincent Cable (Twickenham) (LD): I welcome the debate. I know that the Chancellor has to leave for another meeting, but his participation was welcome. I specifically welcome the one proposal he made, which was in relation to business rates and the smoothing out of the increase. It has been called for by the Federation of Small Businesses and the CBI and it is absolutely right. I hope he will follow it up with the suggestion made by my hon. Friend the Member for Somerton and Frome (Mr. Heath). We know from surveys that half of all small businesses are not even aware that they are entitled to business relief; it is very much dependent on the activism of local councils to bring it to their attention. If this could be done automatically, it would save a great deal of grief among small companies.

Listening to the contributions that we have heard from both sides, one gets the impression that the dominant issue in economic management is the size of the fiscal stimulus, which is a very odd perspective, regardless of whether one is in favour of it or against it. The International Monetary Fund has just published a very interesting analysis of what is happening in the British economy and where the stimulus is coming from, and it puts

[Dr. Vincent Cable]

things into an interesting perspective. The IMF calculates that the value of the Government's fiscal stimulus over a three-year period is about £20 billion and contrasts that with some £90 billion of stimulus that is coming from interest rate cuts and monetary easing and with the stimulus that dare not speak its name—devaluation—which is providing an extra £40 billion. Although the Government do not acknowledge it, and nor do the Conservatives, for their own reasons, what is actually happening is that the Government are very carefully following the doctrines of Milton Friedman and we have, in essence, a monetary response to the crisis, which is absolutely right, provided it is effective and gets money into the economy. The argument about the fiscal stimulus, although it may be amusing and politically interesting, is fundamentally a sideshow.

While we are discussing the sideshow, I just wish to reiterate the view that Liberal Democrats have been expressing, which has been reinforced by experience and by the conviction of a growing number of Labour Members. It is that although the VAT cut may have seemed a bright idea, as the Government needed to do something in a hurry, it was not the best way of using £12 billion of taxpayers' money. There is a strong argument for simply stopping it and using the money instead for a much more carefully targeted programme of public investment aimed at social housing, insulating people's homes, and public transport, so that at the end of it there will be assets, many of which will produce an income, which will directly stimulate employment and also do something for the environment.

An interesting survey has just been produced by HSBC on the environmental impact of the Government's fiscal stimulus, small though it was. It estimates that about 70 per cent. of that package contributed to environmental improvement, as opposed to figures of 15 per cent. internationally and 80 per cent. in countries such as South Korea. The Government have covered themselves in this mantle of the green new deal, but their policies are nothing of the kind and are completely bereft of any environmental value.

Before I leave the fiscal stimulus, I should note that it was interesting that the Chancellor threw out a challenge to the Conservatives when he said that they were proposing a cut—a negative fiscal stimulus—of about £5 billion. That is probably correct, but what he did not mention was that the Government, according to their own figures, are proposing a negative fiscal stimulus in the next financial year, because, of course, public investment has been brought forward and will be cancelled next year. If unemployment is astronomically high next March, as many of us expect it to be—it could be 3.5 million or 3 million; it will certainly be very high—and we are still in a recession, this Government, who seem to attach so much importance to fiscal stimulus, will be proposing that we have a negative one. I do not know whether that was intended or whether it was just the way the arithmetic came out, but the Government will have to solve this problem of how to sustain their commitment to the economy should this recession continue and not be a temporary blip, as they initially thought it would be.

I turn now to the quantitatively much bigger issue of the banking system. The following question was asked by Members from several parties yesterday: how much are we now exposed to the banks as a result of the various takeovers and the commitments that have been made? The total balance sheet of the British banks is about £8 trillion—about five times Britain's gross domestic product—and we are now liable for most of it. A lot of that is the gross value of derivatives and if we take them out, the figure becomes quite a bit less; but none the less we are talking about commitments that are several times bigger than the British economy.

The IMF has, again, produced some helpful estimates, although they are very speculative. It estimates that when this banking crisis has finally resolved itself, total losses of about £200 billion will have to be absorbed by the British economy and, in effect, by the British taxpayer. Now, it is not quite as bad as that, because—as the hon. Member for South Thanet (Dr. Ladyman) intervened to point out—there may be a gain from selling the banks, if they are run properly. That might happen in 10 years' time, so the net cost may be a good deal less, but the taxpayer's commitment is substantial, even if it is phased over some years.

The question that the Liberal Democrats would ask is whether we are getting value for our money. We profoundly disagree with the way the Government are pursuing their involvement in the banking system, because we have the worst of all possible worlds, with large-scale public investment in the equity of the banks, but without effective public control and without the banks being run in the national interest. I thought that it was pathetic when the Chancellor waved a bit of paper and said that he had an agreement of some sort from RBS and Lloyds bank to lend a bit more money. Well, he told us that in October. We have no idea what the banks are doing, and whether they are lending more or less. What we do know is that the banks are doing what they think they have to do, which is to be obsessed with their tier 1 capital.

Nobody on the board of the banks, in UKFI or in the Treasury is asking how we can maximise taxpayer value. That is the question that should be asked, and it is not being asked because the Government are desperately trying to maintain an arm's length relationship with the banks. As a result, there is no pressure on the banks to ensure that they lend to solvent British companies with a liquidity problem. We know that there are many of those because the companies in our constituencies all tell us the same story—whenever they try to raise money, even if they have a good business or a full order book, they cannot get money from the banks; or if they do, it is on punitive terms with large arrangement fees and demands for massive amounts of security. The Government should intervene to stop that.

I am told that in France the Chancellor's opposite number, Christine Lagarde, has a daily conference call with the chief executives of every leading bank and insurance company in France to ensure that taxpayer value is aggressively pursued, with the Government working actively with the banks. People may not like the French model, and in normal times I do not think that we would advocate such a dirigiste approach to the banking system. However, the idea that the Government have to grasp the nettle and treat the state-supported banks as nationalised industries is shared across the political spectrum. Those who have advocated that approach include John McCain, the defeated Republican candidate for the US presidency, and Alan Greenspan, so this is

not an ideological point. It is a recognition of the reality that if vast amounts of taxpayers' money go into the banking system, it should be run in the national interest.

Ruth Kelly (Bolton, West) (Lab): Does the hon. Gentleman accept that if every country followed the French model that he proposes, there would be a real danger of financial nationalism, which would in itself pose a threat to a global economic recovery?

Dr. Cable: There would be that danger, and that would obviously be a problem for the UK, because we have several global banks here. But RBS, which is a global bank, is not being rescued by the globe. It is being rescued by British taxpayers, and it is not unreasonable in the circumstances for it to make it a priority to lend to solvent British companies. The Government have to pursue that in the interests of the people whom we represent. I am not a nationalist, but that is the reality of the world that we now live in.

Instead, the Government are pursuing what they call the asset protection scheme, which the Conservatives also support. I argued from the outset, and I probably used strong language at the time, that that is a fraud against the British taxpayer. The leading banks are taking their bad loans to the Treasury—the banks know a lot about those loans and the Treasury does not know as much—paying a fixed fee of insurance and walking away. I have discovered, although I have not yet been able to obtain the documentary evidence of it, that the banks are then promptly closing down the companies that they have insured. That is fraud in a real sense, as well as in a metaphorical sense. That is happening under the noses of the Treasury. There is no reason for that scheme. It does nothing to promote new lending, which is much better done by direction or through credit insurance of the kind that the Conservatives have promoted—both valid approaches to the problem. The scheme is also a massively expensive commitment for the British taxpayer.

Kelvin Hopkins (Luton, North) (Lab): I am following what the hon. Gentleman is saying with great interest, and I agree with much of it. Anatole Kaletsky, writing two or three weeks ago in *The Times*, suggested that if we completely nationalised RBS and it became a state bank, others would quickly follow, dominoes would fall all over the world and we would very quickly have a world where the banks controlled public investment. Publicly owned banks and state banks would run the economies of the world. I would welcome that, personally, because I am a socialist. Other people might not. Does the hon. Gentleman think that Anatole Kaletsky's concerns are valid?

Dr. Cable: If non-socialists want reassurance, they should probably consider some of the models from when that has been tried before. The obvious one is Scandinavia, where the banks were nationalised and re-launched as private banks a decade later. That made money. I talked yesterday night to the ambassador of Israel. I did not realise this, but the Israelis had an enormous banking crisis 25 years ago, nationalised all their banks, cleaned them out and sold them on at a big profit to their taxpayers. Their banks have had absolutely no trouble in this recession because they were cleaned out and prevented, among other things, from engaging in securitisation. There is a model that is not a socialist model but shows a practical, common-sense way of dealing with the problem.

I was talking about the asset protection scheme and it is probably worth quoting one of the more distinguished members of the Monetary Policy Committee, who was one of the first to serve on it—Willem Buiter. His comments, I think, have been valued throughout this crisis. He notes:

> "Like its American and Dutch counterparts, this toxic asset insurance scheme is without redeeming social value: it is inefficient, unfair and expensive".

One positive bit of news about the asset protection scheme in the past week, however, is that it looks as though our second biggest bank, Barclays, will not use it. That is very good news. Barclays was probably scared off by the bad publicity surrounding the potential exposure of its tax activities, and the British taxpayer has therefore been spared a great deal of grief. That remains to be seen.

I want one issue clarified when the Minister sums up. Where do we stand on taxation and the asset protection scheme? It is very clear from the original terms issued by the Treasury that any company that wanted to avail itself of the scheme, whether it is nationalised or non-nationalised—this provision is in section 5 of the Treasury paper on the scheme—has to disclose any information available to it or any opinions given to it on tax matters. Within the last week, the Treasury has appeared to dissociate itself from that and has said that tax matters are entirely separate. When I asked the Chancellor of the Exchequer about that during Treasury questions last Thursday, he confirmed that from the Treasury's point of view, tax is a separate issue. Is it, or is it not? It seems to me, from the point of view of the taxpayers' interests, that we cannot possibly use taxpayers' money to underwrite banks that do not pay their British taxes but try to avoid them. There is massive ambiguity on that from the Government and I hope that they will clear it up.

Let me make one final point about the asset protection scheme. It is very clear that all the leading Treasury officials and several of the leading Ministers involved in the scheme are preoccupied, night and day, with trying to make the scheme operate. As a result, they are not focusing on potentially much more important issues. Why, for example, have the Government not yet focused on the problem of how to convert debt into equity? If many companies are over-leveraged and need to acquire fresh equity, which many of them do, the Government can use that process through their control of the banks. The banks have no interest in doing that, obviously, so the Government will have to require them to do it or to set up a scheme to do it. There is no evidence that that fundamental problem is even being faced.

We also know from the evidence given to us by many of the businesses that have talked to us that there is a major crisis in trade credit insurance. The system has completely broken down, which is one reason why supply chains are collapsing. I understand that in France that problem was fixed last December. It could be dealt with in the UK through the activities of the Export Credits Guarantee Department, but again it would appear that nothing is happening and that nothing is being done. The Government are clearly distracted from these important and pressing issues.

Mr. Todd: The hon. Gentleman may have noted my oblique reference in my intervention on the Chancellor to the fact that major, entirely credit-worthy companies with solid orders appear to be having difficulty with their loans from banks and the ECGD. Does he agree that further assistance may involve applying some compulsion to the banks under Government control to support those loans?

Dr. Cable: I am not familiar with all the details, but I believe that there are three specialist institutions in the business, none of which is now working. All their potential customers are being left high and dry, with disastrous consequences. That is a clear example of market failure: the Government should intervene and deal with such situations, but that is not happening.

Mr. Andrew Love (Edmonton) (Lab/Co-op): Before the hon. Gentleman moves on from the asset protection scheme, may I ask what alternative to it he believes exists? I understand some of the criticisms that have been made of the scheme, but how else can we deal with the problem of bad assets on banks' books? The public-private scheme that the US Federal Reserve and Treasury Secretary have produced has been roundly condemned, but what alternatives are there?

Dr. Cable: There is no doubt that the bad debts have to be separated out, and in some cases it might be sensible to convert them into equity of some kind. At some point in the future, the bad debts can be sold off, but it is not clear to me that they are a priority. The overriding need is to get new lending going, and that is what the banks are not doing. The Government are trying, in a very oblique way, to create confidence in the banking system, when they should be directing the nationalised banks. That is the answer: the hon. Gentleman may not agree with that approach but, if he accepts—as my party does—that there is no alternative to the de facto nationalisation of the banks and the effective direction of their strategy, the asset protection scheme becomes, if not unnecessary, then certainly a lower priority.

I turn now to this week's G20 meeting. I agree with the Conservative shadow Chancellor that it was odd for the Chancellor not to address it at all. That was very strange, because the meeting is something that we should very much welcome. People in a negative frame of mind ask why we are having it and say that it is a waste of time and money, but of course it is not. The world economy is in peril, and it is absolutely crucial that there is a collaborative approach to the problems.

Some fundamental things can and probably will be done at the G20 meeting—for instance, on getting agreement on the IMF funding that many countries, especially in eastern Europe, need, and on securing a more effective role in decision making for China and the other emerging powers. Most important of all—and again I agree with the Conservative spokesman on this—progress will probably be made towards a meaningful agreement on preventing protectionism, both in traditional trade and more widely.

Those are obviously essential tasks, but I am perplexed by the overriding priority that the Government are giving in the short term to issues of international financial regulation. Of course we need such regulation, but many of the things that must be done can be done at a national level.

For instance, there is a broad consensus that banks will need to be regulated through their capital on a counter-cyclical basis, but that can be done at a national level. It is already in hand in some countries: Spain has tried to do it, and there is plenty of discretion in that regard in the European rules and the Basel process. There is no reason why countries need an international agreement before they get on and introduce regulation.

Another problem involves tax havens, on which the Government are quite rightly focusing. Tax havens are a long-term problem, in part because of money laundering issues but also because of tax policy. However, most of the tax avoidance in the UK takes place under the Government's nose and with the Government's full knowledge. In the case of the banks, it is happening with the active complicity of the British authorities. To say that there needs to be an international agreement to deal with the problem is perverse. That is simply escapism, and an example of our Government failing to face up to their responsibilities.

In conclusion, I want to make a final point about financial regulation. We have had Lord Turner's report since we last debated the matter, and it is a very important milestone in how we look at financial regulation and the City. The debate has often been presented as meaning either more or less regulation, but that is not a sensible way of looking at the matter. There was plenty of regulation going on, and an enormous amount of box ticking, but the problem was that there was very poor supervision.

Supervision is not regulation—the two are fundamentally different. Custard pies may fly backwards and forwards across the Chamber about whether we need more regulation or less regulation, but that argument comprehensively misses the point. Plenty of institutions in the City do not need heavy regulation; for them, light-touch regulation is perfectly relevant, because they pose no systemic risks. What is absolutely clear, however—this goes back to the Cruickshank report—is that the banks were different: they needed to be supervised much more actively and regulated in a different way from other types of financial institution. That is the conclusion that should have been drawn.

Mr. Cash: Following the line the hon. Gentleman is taking on the importance of national supervision, does he rule out the proposals in the de la Rosière report and the European Commission's proposals to have European supervision of banking and financial services, which the Government appear to be pretending could be supervised at national level, when in fact the legal framework would be decided through the majority voting arrangements and the ultimate jurisdiction of the European Court of Justice?

Dr. Cable: I do not rule out the proposals in Mr. de Larosière report, which, as I understand them, involve much closer collaboration between European regulators—he uses the concept of a college of regulators, I believe. Surely all our experience last autumn and the panic induced by the Irish independent policy on bank deposits suggest that European co-operation is needed more than ever. That is not to say that we would support an ending of national regulation—that is the bedrock on which the collaborative structure is based. A combination of the two is needed.

John Reid: The hon. Gentleman is making a most interesting speech, but does he accept the point I tried to make earlier, which is that it is not a matter of just regulation or supervision? Regulation and supervision are impossible if there is no transparency. If the counterparty's assets are completely untransparent; if some of the derivative products were not understood even by those who were selling them, far less those who were reinsuring them; and if the credit default swaps—in extremis, verging on speculative gambling—are covered over the counter with a total lack of transparency, unless we have some way of putting the information in the hands of all the parties in the market, we will not have a rational market or the means to supervise and regulate.

Dr. Cable: The implication of the right hon. Gentleman's argument is that some sort of clearing house is needed internationally to create a market for those products. As I understand it, that has been agreed in principle. There is a particular problem with one type of derivative—credit default swaps—but most of the others, contrary to some pessimistic expectations, have not exploded in the way that was feared. Certainly, in that respect, effective international co-operation is needed.

In addition to the broader point on regulation, we may draw several conclusions from Lord Turner's work, one of which is that he, like the Prime Minister, bottled out of answering the question whether the banks should be split into their relatively low-risk utility operations and what the Governor of the Bank of England calls their casinos. In practice, in a world of rather complicated financial products, that split is technically difficult to achieve, but the principle is right. I am pleased that the Opposition parties are of the same mind on that matter, and I think that many Labour Back Benchers take the same view. I am utterly perplexed as to why the Prime Minister, uniquely, seems to be standing in the way of such a reform.

Mr. Redwood: It is clear in the RBS accounts which is the casino bank and which is the utility bank. The question is: why did the Government buy both?

Dr. Cable: At this stage, we are arguing about how we progress from that to a reformed system. In a world of securitised products, it is quite difficult to separate the two types of transaction, but that is what needs to happen. Instead, however, we are hearing a lot of excuses, based on technical problems, for failure to implement what people who have fairly sophisticated knowledge of the area, including many in the banking system, accept is a reform that simply has to happen.

To summarise, I welcome the debate. The Liberal Democrats agree with some of the points the Government made, but there are several points on which we disagree. We think that the approach to banks' not accepting the responsibilities that go with nationalisation is fundamentally wrong, and we disagree with the make-up of the fiscal package. We believe—we will deal with this when we discuss the Budget in a few weeks' time—that, within a public financial system that we all recognise is highly constrained, there is a great deal of scope for rebalancing the tax system in the interest of greater fairness.

5.25 pm

Ruth Kelly (Bolton, West) (Lab): It is always a pleasure to follow the hon. Member for Twickenham (Dr. Cable). I always enjoy his arguments, about half of which I fully and strongly support, and half of which I disagree with vehemently. However, he makes his arguments with great authority and I am pleased that he has now converted his party to the idea of a fiscal stimulus. Not many weeks ago, he argued that any tax cuts, or indeed spending increases, should be fully funded. While he correctly says that the fiscal stimulus is only part of the solution, at least he now accepts that it is something on which the UK and other Governments ought to be engaged.

I congratulate my right hon. Friends the Chancellor and the Prime Minister on the strong and robust leadership that they are showing. They are leading the way, across the globe, with a concerted, robust response to what must certainly be the biggest financial crisis within living memory. It is accompanied by the first global economic slow-down since the second world war. Indeed, the Governor of the Bank of England said only last week:

"I cannot recall any previous experience of such a sudden, severe and synchronised downturn in world output of the kind that we have seen in the last three to four months."

Of course, most severe recessions are caused by mistakes made by policy makers, rather than by any global economic shock that has come along and hit the financial or economic system. We should never forget that it took the world years to recover from the 1929 Wall street crash. However, the problem was not a function of the crash itself, but of the response by global policy makers to that crash. It is timely to remember that the London summit in 1933 collapsed in disunity as the world retreated into a downward spiral of protectionism and depression.

Kelvin Hopkins: Is it not a fact that the depression in the 1930s arose, at least primarily, from the deflationist policies operated after 1929 by certain Governments, notably the Government of Germany—*[Interruption]*—and Britain? A degree of tariff protection enabled countries to reflate their economies. Protectionism came later, and actually helped the recovery. It was the deflation at the beginning that caused the problem.

Ruth Kelly: My hon. Friend is right in parts. Of course, the overwhelming problem was deflation, but how the world reacts to deflation decides whether it will manage to come out of it properly. There is always a case, in specific areas, for really well targeted tariff protection, but overall, the world system has to remain open to growth. We have to accept that 70 per cent. of world trade comes from developing nations. Without that contribution, the whole world's growth would slow down. It was not until the Bretton Woods economic summit in 1945 that the world was able to unite to agree a new international economic and financial architecture that laid the foundations for half a century of peace and prosperity.

The G20 meeting this week is a huge opportunity for world leaders to agree to stimulate the world economy as much as is necessary, either this year or next, depending on their specific circumstances; to continue to take the measures necessary to restore trust in the banking system to get credit moving again; and to design a system to minimise the risk of any repetition in future. It is clear that, to date, Britain has been leading the way on the international stage, arguing for bank recapitalisation, designing an innovative scheme to protect and insure banks against toxic assets, and putting in place a significant

[Ruth Kelly]

monetary and fiscal easing to stimulate the economy and get growth going again—policies that are being replicated, in one form or another, around the world. Indeed, only this morning the OECD said, in an interim report on the world economy that it produced to inform the G20 meetings:

"While some have dubbed this severe global downturn a 'great recession', it will remain far from turning into a repeat of the 1930s Great Depression, thanks to the quality and intensity of government policies that are currently being undertaken."

The hon. Member for Tatton (Mr. Osborne) talks about fighting domestic battles on an international stage; I would argue that it is the Conservative party that has been attempting to do that. Unfortunately, the debate at home has constantly been subject to distortion from the Conservative party, so I want to take a moment to explore some of its hypotheses before outlining the measures that I think that we ought to take, as well as some of the most pressing risks to the current approach taken by the Government, particularly for those in the developing world.

Let me start with the statements of the Leader of the Opposition. I was reading a speech that he made last week, which continued his well-worn theme, attributing the cause of this recession to the weakness of the British economy. He said:

"Our banking system is not separate from our economy, it is a reflection of it…The unsustainable debts in banks are a reflection of the unsustainable debts in our households, our companies and our government."

At first sight, that seems a completely unremarkable thing to say, as well as politically expedient. But unfortunately that leads him and his party to formulate completely the wrong policy prescriptions to deal with the current crisis, because he continues:

"So while of course it's true that some of our problems are global…we've got to recognise that the underlying policy failures were national."

I do not know of any serious economic commentator in the world who says that this synchronised global downturn is due to British national policy mistakes.

Mr. George Osborne: I am sure that the right hon. Lady has read the report from Lord Turner, the first chapter of which states that one of the reasons why Britain is particularly exposed to the international storms is that we had very large macro-imbalances. Our banks were highly leveraged, our households had borrowed more than households in the United States and our housing boom was larger than that of the United States. Surely she will accept that national policies put countries in different positions in terms of their ability to weather the storm.

Ruth Kelly: I do accept that, but I want to go on to quote the Governor of the Bank of England, whom the hon. Gentleman is so fond of quoting, who so pithily expressed it by saying that

"banks are global in life and national in death."

That is precisely the opposite argument to the one that the Conservative party has been making. In other words, of course Britain was exposed to the global economic downturn because it had a large financial sector. It had lots of global banks based in London. Those banks were indeed global; they operated across the world. When it came to saving those banks, it was the responsibility of the British Government, as of course it should be. We need only to think of the Icelandic banking crisis, which affected individuals and local authorities across the UK, or the collapse of Lehman Brothers, which reverberated across global boundaries, to realise that that is true.

Mr. Redwood: How does making very weak banks lend more strengthen them?

Ruth Kelly: The right hon. Gentleman's Front-Bench colleagues are arguing that the only thing we need to do in this recession is to try to get our national banks, and international banks based in London, lending more to people who want to borrow for mortgages and businesses here. I see he is distancing himself from their remarks. I think there is a danger there, too, as I said in an intervention on the hon. Member for Twickenham.

One of the key differences between the 1930s financial crisis and the current one is the extraordinary degree of interdependence that has developed between our complex major international institutions, so that the failure of one part of the system reverberates around the globe. Indeed the Deputy Governor of the Bank of England, Paul Tucker, put it like this in answer to the Treasury Select Committee about the Government's new toxic asset scheme:

"We cannot cut ourselves off from the international nature of this crisis."

To go back to the Turner report, Adair Turner says:

"The origins of the crash lay in the US housing market".

[Hon. Members: "Read the rest of it."] The rest of the quote is,

"with growing evidence that excessive credit extension and weak credit standards had resulted in rapidly rising credit losses, with implications for the price of many asset- backed securities",

the point being that asset-backed securities are held by institutions right across the world and have been affected by the sub-prime mortgage issue in the United States.

If the Conservatives cannot understand the nature of the credit crisis, how on earth can they be expected to be the ones entrusted to solve it? Indeed many of their policy prescriptions seem to stem from that flawed analysis; putting forward a prescription based on fiscal rectitude; promoting saving and living within our means; and reining in public debt at a time when liquidity and demand both need to be supported to prevent this recession from turning, indeed, into a great depression.

I am glad that the Conservatives seem to have rowed back from immediate cuts in inheritance tax, now to be implemented, I think, within the first term of Conservative Government, rather than on day one. However, they still seem to be recommending £5 billion of public spending cuts in this financial year—the same prescription that was made in the Thatcher recession of the early 1980s, which led to the massive unemployment that became entrenched for a generation.

It may suit the Conservatives as a matter of political strategy to pin the downturn on the British Government, but that is plain wrong. Not only is it wrong, but the argument is further confused by obscuring the situation on debts and deficit. The facts of the matter are that we entered the recession with public debt low by international

standards. Even after the recession, after any fiscal boost, according to the OECD, we are likely to come out of the recession with public debt, although significantly higher, still likely to be one of the lowest in the developed world.

I accept that we have run and will run very large fiscal deficits in years to come. We are likely to do so largely because as tax receipts fall and benefits rise—we have to accept the fact that automatic stabilisers are much stronger in this country than in other countries—we naturally support our economy through any downturn. How much will the VAT cut, the fiscal boost that we have already seen, contribute to the deficit?

The Institute for Fiscal Studies has said that the VAT cut and the fiscal stimulus package more broadly will make little difference to the scale of the deterioration in the UK's public finances over the next five years. The stimulus package contributes only one fifteenth of the increase in public sector net debt that the Treasury expects by 2013-14. In fact, providing a strong economic stimulus, both fiscal and monetary, to support spending during the downturn is precisely what the British economy and the global economy need.

As the IMF said in a note this month:

"Some countries entered the crisis with greater fiscal space to expand, including more favourable levels of deficits, public debt, contingent liabilities and interest rates",

referring to Canada, China, France, Germany, the UK and the US. It is a travesty to misdiagnose a problem that is clearly international as a domestic regulatory failure in order to pin blame on the Government.

I accept that there was a collective failure around the world to see the downturn coming. In retrospect, the huge global economic imbalances that emerged between China and the west were never going to be sustainable. As those surpluses searched for yield across the globe, that gave a huge impetus to global financial institutions developing more complex financial instruments.

The G20 comes at a critical moment. The first priority must be preventing the recession from turning into a depression. Secondly, we must craft principles to reform the international financial system. Thirdly, we must protect the world's poor, rejecting trade protectionism in any form.

5.38 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): It is always a privilege to follow the right hon. Member for Bolton, West (Ruth Kelly) since she returned to the Back Benches. She has consistently given the House thoughtful and well-informed speeches on economic matters, even though in this case I profoundly disagree with her, on both her analysis and her prescription.

Unless we establish the cause of the current economic crisis, we will not be able to find a cure or a way of preventing a repetition of the problem. Unfortunately, so far analysis has focused not on establishing the ultimate cause, but largely on allocating blame to greedy bankers, impotent regulators and incompetent Americans.

Incidentally, following the point that the right hon. Lady made, the Prime Minister cannot say, as he does when he is trying to escape any share of the blame himself, that the problem arose solely in the US, and simultaneously blame the British bankers. Either the problem was caused exclusively in the US, in which case not only is the Prime Minister innocent, but so are the British banks, or the British banks contributed to their own downfall and aggravated our economic problems, in which case not only are they guilty—I believe they do share in the guilt—but given that he was responsible for regulating the banking system over the past 12 years, so was the Prime Minister, the former Chancellor, guilty of his share of aggravating our problems.

I am sure that all the alleged guilty parties deserve some of the blame, but I will argue that their behaviour was essentially a symptom of a much more fundamental underlying cause of our woes. Take greedy bankers. I am sure that bankers were greedy, but bankers have always been greedy—I cannot remember a time when they were not accused of being so. It is a fundamental axiom of logic that we cannot explain a change by a constant. If bankers have constantly been greedy, why has that only now resulted in this change in our economic fortunes?

The interesting thing is that, in the past bankers, were accused of being greedy because they would lend only to the rich, who had ample collateral, and to low-risk projects at high interest rates. This time they are accused of greed because they have lent to poor people at low interest rates with inadequate and inflated collateral and a risky repayment profile. Bankers' greed has been a constant feature; it is the form that it has taken that has changed and needs explaining. I shall come in a moment to a more fundamental explanation of that change.

The second alleged culprits are impotent regulators. The common accusation is that deregulation stripped the regulators of the power that they needed to prevent the excesses of the past decade. In fact, under the regime that the Prime Minister introduced in one of his first acts as Chancellor, the regulators whose duty was to supervise the banking system in the UK had every bit as much power as they had ever had.

The other day, my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) reminded the House—and, indeed, me—that I was the shadow Chancellor when the Bill that became the Bank of England Act 1998 was introduced. In the debate on that Bill, I warned the House:

"With the removal of banking control to the Financial Services Authority...it is difficult to see how...the Bank remains, as it surely must, responsible for ensuring the liquidity of the banking system and preventing systemic collapse."

I went on to say:

"The coverage of the FSA will be huge; its objectives will be many, and potentially in conflict with one another. The range of its activities will be so diverse that no one person in it will understand them all"—

and so it turned out. I added that I feared that

"the Government may, almost casually, have bitten off more than they can chew. The process of setting up the FSA may cause regulators to take their eye off the ball, while spivs and crooks have a field day."—[*Official Report*, 11 November 1997; Vol. 300, c. 731-32.]

I could foresee that then, because the problem was not deregulation but the regulatory confusion and proliferation introduced by the former Chancellor. The regulators have never had more power, employed more people or spent a bigger budget than now, but they have failed. The problem with the regulators worldwide was not lack of power, but lack of foresight and insight; until

[Mr. Peter Lilley]

the eleventh hour, they were as convinced as the bankers that everything was going swimmingly. In its global financial stability report in April 2006, a year before the crisis erupted, the International Monetary Fund no less, referring to securitisation and other complex derivatives, said:

"There is growing recognition that the dispersion of credit risk by banks to a broader and more diverse group of investors, rather than warehousing such risk on their balance sheets, has helped make the banking and overall financial system more resilient...The improved resilience may be seen in fewer bank failures and more consistent credit provision. Consequently the commercial banks...may be less vulnerable today to credit or economic shocks."

That is what the pinnacle of the regulatory system worldwide was saying a year before the crash. The truth is that the behaviour of bankers and regulators was not so much the fundamental cause of the crash as a symptom of a long period of easy money and irrational exuberance fuelled by excessive credit.

Mr. Redwood: Does my right hon. Friend remember that the Government introduced a lot of mortgage regulation relating to process? When we criticised them and said that they needed to regulate the institution, which was where the damage was being done, they said that we were wrong. Do they not now see that we were right and that the institution, rather than the individual transactions, had to be regulated?

Mr. Lilley: My right hon. Friend is absolutely right. The bulk of regulation was focused on consumer protection rather than systemic stability. There was not enough prudential supervision; if anything, there was too much detailed regulation of the consumer-lender interface.

John Reid: The right hon. Gentleman has succinctly described the causes of this situation, and I do not want him to go off that point. Basically, he is saying that people were lending money they did not have to those who should not get it, in a form that neither side understood, for returns that were too high and with a risk that was too high, and then persuading themselves that if they spread-bet all that across the world, everything would be fine. If they had gone to Ladbrokes, they would have been told by any spread betting expert that if a bookmaker is accepting all the money on a hot favourite and all the other horses in the race have only three legs, they can reinsure all they like, but ultimately they just lose a fortune.

Mr. Lilley: The right hon. Gentleman puts it extremely eloquently. He demonstrates why he should have been Chancellor during the past few years instead of the person who has occupied that place on the Front Bench—a point on which I am sure we are similarly agreed.

The monetary authorities allowed lending and borrowing to outstrip personal incomes. They ignored bubbles in dotcoms and house prices, and promised to limit the downside risk by what became known as the "Greenspan put"—the promise to cut interest rates and pump in money if ever the economy faltered. However, it was not just down to Alan Greenspan in America—the monetary authorities on both sides of the Atlantic pursued almost identical policies. Indeed, it is a bit rich for our Prime Minister to blame the United States and, by implication, Alan Greenspan, when he slavishly copied Greenspan's policies, appointed him as his adviser and awarded him a knighthood for, let it not be forgotten, services to financial stability. Of course, he went on to give knighthoods to most of the bankers he is now vilifying—for services to banking.

Underlying that "easy money" policy was the willingness of half the world to run savings and balance of payments surpluses, tempting the other half—the Anglo-Saxon and "Club Med" countries—to run deficits fuelled by borrowing. It was lovely while it lasted, but it could not go on for ever. Our banks had to find people to lend their surplus savings to, and as they ran out of rich people with good collateral and low risk of default, they started lending increasingly to poor people with inadequate and inflated collateral and a high risk of default. The ultimate cause of our problems, which we must recognise if we are to come up with the correct solution, is that we took advantage of the cheap savings from the surplus countries until we were so over-borrowed and inflated that the system was ripe for collapse.

We now face a huge dilemma. The cure for too much borrowing cannot be yet more borrowing—least of all for the UK, which as well as having incurred excessive private debts is running an unprecedented public sector deficit and, unlike the US, does not enjoy what General de Gaulle called the "exorbitant privilege" of having the world's reserve currency. The deficit in this country is expected to exceed the entire defence budget, the entire children, schools and families budget, the yield from doubling corporation tax and the yield that would come from increasing VAT to 25 per cent. If we are contemplating any further discretionary borrowing on top of that, we must be mad, and we would destroy confidence in the markets.

Ruth Kelly: Does the right hon. Gentleman accept that by far the main cause of those high deficits is the operation of the automatic stabilisers?

Mr. Lilley: Well, let us not add to that problem by some un-automatic excessive borrowing.

The other half of the dilemma is that if the whole world tries to save less than it is producing, output and/or prices will fall in a deflationary spiral—the point that the right hon. Lady was making. The only way in which we can reconcile those two truths—that we cannot solve too much borrowing by more borrowing, and that we cannot simultaneously, across the world, all try to spend less than is being produced—is that the countries that have borrowed too much must, sooner or later, start saving, and those that have been running prudent surpluses should start spending more. The Prime Minister is misguided in trying—to offer himself cover—to persuade everyone to do the same thing: to run discretionary deficits simultaneously. Equally, the German Chancellor is mistaken if she is correctly reported as telling everyone to do the same thing: to strive to reduce their deficits simultaneously. The spenders need to start saving and the savers need to start spending. It will not be easy to co-ordinate that, but if the Prime Minister, as chairman of the G20, does not realise that we need such a bifurcated approach, it will not happen. That should be the agenda for the G20. It is sad that he has mistaken the recipe that he is trying to cook up at that meeting.

5.50 pm

Frank Dobson (Holborn and St. Pancras) (Lab): Some people will feel that I am looking to the past, but we have to accept that the British economy, the world economy and what we call the real economy are in serious trouble because of the crash of the casino economy run by bankers for the benefit of bankers. It has become fashionable to say, "Let's not be too hard on the bankers." I agree, because it is impossible to be too hard on the bankers. There are only two possible explanations for the mess they have got us into: either they could not tell the difference between liabilities and assets, in which case they are too stupid to be bankers; or they could tell, and they managed to sell liabilities claiming that they were assets, in which case they are fraudsters. Those are the only two possible explanations. If I may say so, there is no third way.

We are told that the bankers had to be paid millions because they were risk takers. We certainly could not deny that they were risk takers, but they were not taking risks with their own money. Many were not taking risks with their own jobs, and in some cases they were not taking risks with their own pensions. The consequences for many of them have been minimal, whereas for everyone else they have been dire. Other people's jobs and pensions have gone; 25,000 jobs in financial services went in the last quarter of last year, but few of those jobs belonged to the people at the top who were really coining it. It is bank clerks' jobs that have been disappearing. In that quarter, 160,000 jobs, including those of some of the regulators, went as a direct consequence of the stupidity and greed of the banking system. Jobs are not threatened because there is anything wrong with JCB equipment, Leyland-DAF vehicles or products in the aerospace industry; they are threatened because of the bankers. But people still argue that the bankers concerned are worth huge pay and bonuses.

Kelvin Hopkins: Nick Leeson was sent to prison for his banking practices. Would it not concentrate a few minds if some more bankers were sent to prison?

Frank Dobson: Yes, indeed.

We were told that if these people did not get huge pay and bonuses, they might go elsewhere, to Dubai, Mumbai or Shanghai. I am trying to envisage the interview. They might be asked, "Who did you say you were working for in the City of London? Was it Lehman Brothers, Royal Bank of Scotland or HBOS? Were you helping Bernard Madoff, or were you working at Merrill Lynch?" The idea that those people would be welcomed by any sane banker—assuming there is such a thing—is quite ridiculous, but they still say that they ought not to be regulated, which is one of the arguments their apologists make.

Our Government, like other Governments around the world, have tried to introduce extraordinary measures to counter the extraordinary damage that these stupid, greedy people have caused, intending to limit the length and depth of the recession through tax changes, changes to monetary policy and monetary relaxation, and by trying to get credit flowing again. That means huge costs for the Government and for taxpayers. Needless to say, the Tory party—the political wing of the banking industry—is spending all its time blaming the Government and attacking the Prime Minister as he makes the preparations for the G20 summit in London in two days' time.

Stewart Hosie (Dundee, East) (SNP): Will the right hon. Gentleman give way?

Frank Dobson: No, I have not got time.

Frankly, the Tories hope that the G20 will fail—it would be to their political advantage—and their friends in the press, TV and radio have been taking every opportunity to contribute. They even quoted on BBC TV, with approbation, the Czech Prime Minister's denouncement of the policy of Obama and the British Prime Minister, but they did not mention—and I think it was germane—that the preceding day, he had lost a vote of confidence in his own Parliament due to his ludicrous running of the Czech economy. That did not get a mention. He was treated like some economic guru by virtually everybody who reported him.

The G20 must try to shorten and lessen the depth of the recession. Different approaches will be suggested by different Governments, employing all possible methods, including trying to strengthen the International Monetary Fund to make it a trifle less stupid than it has sometimes been. As my right hon. Friend the Member for Airdrie and Shotts (John Reid) pointed out, we will need to toughen the regulatory system, both national and international, and make it much more transparent.

We have to act on tax havens, which we all know private profiteers and corporations exploit to evade tax due on transactions and profits in places where the transactions occur and the profits are actually made.

We also have to act against commodity speculators. The oil price shot up to $140 a barrel, but there was no shortage of oil. Sometimes, in the time it took a cargo of crude leaving the Gulf to get to Halifax, Nova Scotia or Rotterdam, it was bought and sold 10 times. There were massive speculative increases in prices, and that has to be stopped.

Worse still, the price of rice practically trebled at one point, which was attributed to the fact that the Chinese had started eating more rice. Actually, a lot of filthy speculators in this country, in the United States and in European exchanges were trying to get more money out of rice. I was in Bangladesh recently, and I was assured by some of the rice farmers that they had not been paid three times as much for the rice they produced. We have to stop those speculators, because what they do is also part of banking's greed and stupidity. We have had difficulties in this country because of the credit crunch, but in many parts of the third world, what is happening is at that horrid boundary between life and death. People will die because of the greed of bankers, and it is shameful that bankers have continued to do what they have been doing. We need a changed world system; we do not want to go back to the old system. We cannot leave such matters to lightly regulated bankers, or to the apologists for bankers.

Some of the apologists are unable to make up their minds. Some say they do not want regulation, but others say they were not properly regulated. They cannot have it both ways. The latest line is that the old ways were the best: "Perhaps we could go back to the old ways when the Governor of Bank of England had influence." It is argued that people were constrained by the Governor's "raised eyebrows". You've got to be joking. The only thing that would have restrained the worst offenders who caused this crisis would not have been the Governor of the Bank of England raising his eyebrows, but the police feeling their collars.

[Frank Dobson]

The Governor's remarks were somewhat exaggerated by the newspapers, television and radio, and used to undermine the Prime Minister. The Governor expressed caution. Well, that is what Governors of the Bank of England do—it is their job to express caution. I remind the Governor that he has some very undistinguished predecessors. One of the greatest contributors to changing the Wall street crash into the great depression was the great Montague Norman, who absolutely insisted on rejecting Keynes' policies, which might have rescued the whole world from the '30s depression and Germany from Hitler.

I wish the Prime Minister well at the G20 in London and the subsequent G20 meetings. Nobody believes that things will be sorted out in one meeting, and there will be a long series of such meetings and many meetings of officials to thrash out the changes that are needed. If anyone does not wish him well and hopes that his efforts will fail, as I believe many Opposition Members do, they might be thinking about what is good for the Tory party but not about what is good for the people of this country.

6 pm

Mr. John Maples (Stratford-on-Avon) (Con): The right hon. Member for Holborn and St. Pancras (Frank Dobson) had a good go at bankers, who are a pretty easy target, but there is nothing new in the behaviour of banks creating financial crises, which is why they need regulating. I think it was Warren Buffett who observed of this crisis that banks have spent the past 10 years inventing a whole load of new ways of losing money, which was completely unnecessary as the old ways were working fine. I am afraid that there is not much new in what the right hon. Gentleman's target has been doing.

I wish to spend my few minutes talking about how we go forward rather than how we got into this crisis. There has been a huge amount of analysis of how we got here, but what are the sensible things to do to get out of the crisis? I do not agree with some of the Government's policies, but I do with others. One must spend a moment reflecting on what happens in a recession, which is the hangover after the binge.

We have had years of excess monetary growth, which has gone into living beyond our means at both public and private level. There has been too much private sector borrowing, and the Government have been running deficits and living beyond their means. Monetary growth and excesses have found their way into asset prices, particularly houses and property, rather than into consumer price inflation. Those things have to be corrected, which will take some time and will not happen overnight. We have to move to an economy in which savings are higher, asset and house prices are lower, money is tighter in the long run and bad loans and investments are written off. That is a painful process, but the mistakes in policy are behind us. There are no options in front of us that could enable us to avoid that process happening, which it must.

We certainly want to help the victims of the recession, as the Conservative Government did in a recession and as this Government are doing. We want to help people who are unemployed or in danger of losing their houses. Of course one wants to do that and to let the natural, automatic stabilisers work, but from what I have read they account for about 3 to 3.5 per cent. of GDP. The fiscal stimulus is an awful lot bigger than that. I do not believe that in the current circumstances, an additional fiscal stimulus involving the numbers being talked about will make any difference to the recovery from the recession. It is a monetary phenomenon with a monetary cause, and the correction will be in monetary policy.

This recession started in the banks, which is perhaps why it is unusual among the recessions that have happened in my adult political lifetime. Usually, recessions that start in the financial system last longer, because it takes the first year for the system to sort itself out, so the Government are right to concentrate on sorting out the banks and getting them back to lending. We can argue about whether their schemes could have been introduced better, sooner or cheaper, but certainly their strategy is right. However, those policies have to be given time to work. They have had only a few months, and there is a misplaced sense of panic about what is happening. If the panic had happened a year or two ago we might have been able to do something different, but from where we are now the measures taken in the monetary markets must be given time to work.

We need four things, the first of which is prudential regulation, which has been discussed a lot, including by the right hon. Member for Holborn and St. Pancras. Regulation has clearly failed, and it is no good anybody pretending it has not. What we need is not more regulation, more regulators or more money spent on them. As my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) said, we have had that in spades for the past 10 years. What we need is more intelligent regulation. The difficulty is that the people in the FSA are not as good as the people in the banks, who despise them and say that they are all 28-year-olds who do not know anything. With a lot of unemployed, smart people from the banks around, perhaps the FSA can employ some of them and be slightly better.

However, the next stupid thing that bankers do in making ridiculous loans will not be the same as they have just done, but something new. In the past it was the Latin American debt crisis, Russia, the far east and then the dotcom bubble. The next one will not be one of those, so it is no good regulators now shutting that stable door. They have to think about what is coming, and that is what I mean by more intelligent, rather than tougher, regulation.

Mr. Redwood: Was it not really very easy? All that one regulator had to do was read the balance sheets of the top half-dozen banks in Britain, and it could have seen that they were grossly over-geared.

Mr. Maples: Yes, although other things were going on, too. Monetary policy was too loose during that period, and the problems were pretty obvious from monetary statistics, without analysing the banks' balance sheets.

Adair Turner has basically got his prescription right. I disagree with him about only one thing, which is the Glass-Steagall Act and the splitting of the casino from the utility—of the commercial banks from investment banking. That is worth considering, because the two are much more interrelated than they were, and in investment

banking there is a risk of counter-party default. As we saw with Lehman Brothers, if one bank goes down it risks dragging a lot of other securities institutions with it. However, the problem in the current case was irresponsible lending by commercial banks. If we can isolate the deposit-takers and their business from the business that investment banks do with either their own capital or money borrowed on the bond market, we can be much tougher on investment bankers. We can say, "Right, you can write off your equity, and your lenders are not going to get their money back." However, we have a responsibility to protect commercial banks because there is a risk of system failure. I hope that the Government will insist on a tougher look at that.

We have discussed the remuneration structure, which led to people behaving rationally as individuals but produced a totally irrational outcome—the upside for a banker of taking risks and making money, which was his bonus, vastly outweighed the downside. The worst that could happen to him was not getting a bonus, or perhaps in extremis losing his job. Regulation of that area will have to be considered in future, but there is a danger of over-regulation. The City of London has, on the whole, been doing quite well for Britain and making money for 500 or 600 years. There is a danger that we and the United States will over-regulate our banking systems and lose what is good about financial markets to other places. If we could just stop what is bad that would be fine, but if we risk losing what is good through over-regulation, we will create a new problem. The City is a very important part of the British economy, and hopefully it is not going to go away.

All recessions are preceded by a monetary boom and lead to irrational lending, high asset prices and consumer price inflation or house price inflation. Recessions have monetary causes and monetary solutions. The Government and the Bank of England have put in place very low interest rates and a bank bail-out that is now worth £500 billion. Such amounts terrify me—a hundred billion here and a hundred billion there, and pretty soon we are talking about real money. A vast percentage of our GDP is at stake and we must keep very tight control over quantitative easing, which is a wonderful euphemism for what we would call printing money if it were being done in Latin America. I am not trying to second-guess the Government on that, but a huge amount of money is being pumped into the system. I hope that when the recovery starts, we will be ready to start getting that money back out again. Otherwise, we will end up with huge consumer price inflation in two, three or four years' time.

The debate has been about fiscal policy, which I believe is wrong, because the remedies are in monetary policy. We are already running a huge fiscal stimulus, which will be 9 or 10 per cent. of GDP this year and next. The idea that we are somehow not running a fiscal stimulus is completely wrong. As I have said to the Chancellor, we should have been running a surplus in the good years, although there might be room to do a bit more now, as the Germans are finding. However, the United States and Britain are in the almost uniquely weak position of having serious financial and balance of payments deficits. I therefore believe that the US President and the British Prime Minister are wrong about this. They should let the stabilisers work, but we simply cannot afford to spend so much. The Treasury has run out of our, the taxpayers', money. No more of it can be used without seriously endangering the recovery when it comes. If we are saddled with huge quantities of debt that invade the corporate bond market, drive up yields, drive down the currency and leave the taxpayer with interest to pay for years to come, we will endanger the recovery. We have run a fiscal deficit of £200 billion over the past six years, and we look like running another £250 billion over the next two. Frankly, that is enough. We are getting into dangerous territory.

The recovery will come from the private sector, and I want to make a couple of suggestions about what the Government might do to help that. First, the Government have been regulation junkies—frankly, they have been even worse than we were. A mass of regulation has been introduced and it has cost business a huge amount of money. That is a social luxury, which we can afford in good, but not in bad, times. Five EU directives on employment and four sets of UK regulations are in the pipeline, all of which will impose costs on business and deter job creation. The Government could score a lot of brownie points and do the economy much good through a moratorium on regulation that imposes costs on business or on the Government—regulation imposes costs on the Government, too—until the recession is over. Afterwards, we can debate whether it is a good or bad idea.

The Government could help the private sector through tax policy. I do not simply mean tax cuts to put money in consumers' pockets. We need to encourage private sector investors to start taking risks again. They are currently risk-averse and are trying to find the safest possible way of conserving their cash. We need to try to alter that equation for them. We could do that if, for example, we provided that any business investment in the next 12 months was free of capital gains tax, or that capital allowances could be enhanced for the purchase of business investments. We could also allow offsets on capital losses made on investments in, for example, the next 12 months, against people's income tax. That would encourage people to invest in business—get investors investing again—by altering the ratio of risk to reward in the tax system. I do not believe it will cost much. Without the investment, there will be no gains on which to pay the tax, but the Government could genuinely help the private sector to contribute to the recovery.

My final point is that the crisis is of the banking system, not of globalisation or free markets. We must not endanger free markets and free trade, which have given the world the most fantastic growth. They have taken more people in the third world out of poverty than any other system. We must not endanger that when addressing a crisis in the banking system.

6.11 pm

Richard Burden (Birmingham, Northfield) (Lab): Time is short and I hope that the House will forgive me if I am a little parochial. I want to say a few words about the impact of the economic downturn on my region, the west midlands. The newly formed West Midlands Regional Committee is currently conducting an inquiry on that, and we hope to present a report before long. However, with the Budget approaching and given the severity of the economic downturn in our region, some key issues will not wait, and practical action can and needs to be taken. I want to illustrate that with examples from the region as a whole and, in some cases, my part of Birmingham.

[Richard Burden]

The West Midlands Regional Observatory noted that the fall in output in the west midlands is worse than the UK average and the worst of any UK region. It has experienced the sharpest job losses of any region in the past quarter and has the second highest unemployment rate of any UK region. The decline has been especially sharp in manufacturing—20 per cent. of manufacturing firms expect to reduce their work force this quarter. That is not to say that the service sector has not also been hit—the equivalent figure is 11 per cent.

However, manufacturing has long been the bedrock of the west midlands economy and its centre is the automotive industry, with approximately 1,800 companies, 115,000 employees and gross value added of about £5 billion in 2006. Yet the manufacturing redundancy rate stands at 22.8 employees per thousand in the last quarter of last year, and there were more than 5,500 redundancies in the last quarter in 2008 in the automotive industry. In the region, redundancies between November 2008 and January 2009 were up 265 per cent. on the previous year.

I make those comments not to spread gloom or depression—some parts of the regional economy are holding up well. However, I want to emphasise that the west midlands is not only suffering from a severe economic downturn, but that damage is in danger of being done to the foundations of the regional economy. If we lose those foundations now, we will not be in a position to respond when the upturn comes. We could lose not only strategically significant companies, but the skill base that they maintain, and that will not easily return.

Action is important to ensure that the west midlands gets a fair deal. I welcome the automotive package that Lord Mandelson announced on 27 January and I am pleased that my hon. Friend the Economic Secretary and Under-Secretary of State for Business, Enterprise and Regulatory Reform is here. He has done some great work in ensuring that applications under the scheme will be processed as quickly as possible. I cannot emphasise enough that we must ensure that help gets to where it is needed quickly.

We need to move quickly on matters that the Government are considering—I welcome the consideration, but decisions and action are required. We need to introduce a scrappage scheme in the automotive industry. There are different views on that, but the evidence from Germany shows that it has a positive effect on stimulating demand, and I hope that there is good news about that in the Budget.

I want to take up a point that the hon. Member for Twickenham (Dr. Cable) made and emphasise that a key part of ensuring that firms in the automotive industry and other parts of manufacturing can trade effectively is getting the trade credit insurance industry working again. It is not working, and that does tremendous damage.

We need to ensure that the strategic firms on which so many other firms depend get loans and loan guarantees quickly, not because they need bail-outs but because they need support to realise their potential. Other local Members of Parliament and I are therefore joining local papers, such as the *Birmingham Mail*, the *Birmingham Post*, the *Coventry Evening Telegraph* and others, to say that we must stand by Jaguar Land Rover.

Lorely Burt (Solihull) (LD): The hon. Gentleman knows that Land Rover is in my constituency and, like him, I am worried about the slowness with which European Investment Bank money is coming through. LDV is also in a precarious position and I am sure that all hon. Members hope that that company will survive. Does he agree that perhaps the Government could do a little more to try to ensure that the desperately needed money comes through speedily?

Richard Burden: I know that the hon. Lady has a great constituency interest in Jaguar Land Rover as a firm that is strategically important throughout the region and beyond. Discussions have been going on for some time between the company and the Government about ensuring that support is there and that the loans from the European Investment Bank come through. It is vital that those discussions are brought to a successful conclusion.

The hon. Lady mentioned LDV, which I intended to consider next. I often criticise the current administration of Birmingham city council because what it says about itself often exaggerates what it does in practice. However, it was right this weekend to announce waiving business rates for LDV, and it is looking to make orders for that company's products. That was the right decision, and I welcome today's announcement by the Chancellor on doing more about business rates. It is also important that Her Majesty's Revenue and Customs is as flexible as possible in its dealings with LDV. We must all do what we can to ensure that the company gets the support that it needs from the EIB and that other public authorities use their procurement powers to buy the kind of vehicles it produces. In Britain, we have the capacity, skills and technology to produce the low-carbon vehicles of the future, but people and firms must buy them. Public authorities are in a great position to do that. We can also help stimulate investment in the private sector through purchasing those products in the west midlands and elsewhere. Some extension of annual investment allowance would help.

Let me make two other points. First, my hon. Friend the Member for Chorley (Mr. Hoyle) mentioned training subsidies and subsidies for short-time working. When an economic downturn happens, it is far better to invest to keep people in work and upskill them than to pay for the consequences of their losing their jobs. Contrary to the position in many parts of the country, the west midlands still invests in training. The figures there are still better than in a lot of other places, but we need to do more to help. A temporary wage subsidy for short-time working must be an important part of that. Part of providing the training is that we have to have the facilities to train people. That is why I want to mention something that straddles both training and construction.

There are genuine questions about how the Learning and Skills Council's capital programme has got into the position that it is in and about how it has become so over-committed. When investment in infrastructure in the third and fourth quarters of last year was still positive nationally, but dramatically falling in the west midlands, now is not the time to allow vital capital projects to go down, either for training reasons or for the construction industry.

A central plank of the regeneration of the Longbridge site in my part of Birmingham is the relocation of Bournville college to that site, with a state-of-the-art

building whose construction will provide new jobs in the short term and new opportunities for quality skills training for generations coming through. That will be a visible catalyst to enable south-west Birmingham not simply to win through the current economic downturn, but to deal with the continuing effects of the huge blow that local communities suffered in 2005 when MG Rover collapsed. People in and around south-west Birmingham deserve that kind of fair deal. Keeping faith with the Longbridge project, including Bournville college, is part of that.

My right hon. Friends in the Government face formidable challenges. Their job is made no easier by the sniping from the sidelines by Opposition Members, who complain about the effects of the economic downturn but will not commit the resources that are needed to beat it. Ministers do not have the convenient luxury of opposition, but that does not alter the fact that the west midlands region needs urgent action in the short term if we are to seize the opportunities for the long term. That means urgent action on the automotive industry and doing more on infrastructure, particularly those infrastructure projects that are about building the human capital of the region. Colleges are part of that, including Bournville college.

6.22 pm

Mr. Michael Fallon (Sevenoaks) (Con): I remind the House of the interests recorded in the register.

I want to say something about the origins of this crisis, the structure of the economy that we are now left with and the state of our public finances. So far as the origins of the crisis are concerned, I fundamentally agree with my hon. Friend the Member for Stratford-on-Avon (Mr. Maples). It is not a crisis of markets; it is a crisis of regulation and controls. It is Governments who control the allocation of credit through the central banks to which they give their mandates; it is Governments who control the holdings of capital through the capital adequacy rules that they require banks to follow; and it is Governments who have controlled lending, in effect, through the supervisory regimes that they have established.

Ten years ago, the amount that the major British banks lent out was covered almost exactly by the deposits that they held. By 2007, the gap was £625 billion and their assets—or perhaps we should say their loans—amounted to three and a half times our GDP. I think it was my right hon. Friend the Member for Wokingham (Mr. Redwood) who put it so well: this country has become a banking business with a medium-sized state attached to it. Who allowed all that? Who encouraged it? Who cheered it on? It was the Prime Minister, as Chancellor, who set up and welcomed light-touch regulation.

In November 2003, the Prime Minister told a conference organised by *The Wall Street Journal*:

"Capital markets can and should help us manage risk more efficiently between sectors, over time and across national boundaries…there is a need to remove barriers to diversification of investments across borders"

in Europe. In other words, he wanted more American-style investment houses here. He wanted more Lehmans in Europe. It was the regulator that he set up that failed us so badly and the rules that he agreed to under Basel that encouraged pro-cyclicality, drove the search for yield off the balance sheets and, by incorporating self-serving rating agencies into the regulatory process, helped to downgrade the role of risk management. Those failings are now well understood.

Mr. Plaskitt: Does the hon. Gentleman not recall what his party's then Front-Bench spokesperson said in the debate on the Financial Services and Markets Bill, which introduced the Financial Services Authority? He said:

"we believe that regulation should be minimal".—[*Official Report*, 28 June 1999; Vol. 334, c. 43.]

Mr. Fallon: My right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) has already reminded us exactly what he said from the Front Bench at that time. It was a huge mistake to take banking supervision away from the Bank of England and give it to a supervisory authority that employs 2,500 people and will cost us £415 million a year from 1 April, but which assigned only three of those 2,500 people to look after Northern Rock, which allowed the Royal Bank of Scotland to expand and expand without lifting a finger to stop it, and which allowed HBOS to put 40 per cent. of its lending into property and construction alone and then to take equity stakes in the very businesses that it was banking. Above all that, there was a tripartite group that hardly ever met.

Those were British mistakes of regulation, made by British banks and British supervisors, under a system set up by the British Government. It is for us to put that right—to put the Bank back in charge of banking supervision, not just financial stability, as the lender of last resort and the institution that will sort out failing banks, and then to establish counter-cyclical rules for capital, tougher requirements for liquidity and a much better understanding of the risks that such institutions are taking on.

Mr. Tyrie: Will my hon. Friend give way?

Mr. Fallon: If my hon. Friend will forgive me, I will not give way because of time.

We have to rebalance our economy. I hope that there might now be support across the House for the view that we cannot build a long-term, sustainable, wealth-creating and reskilling economy on the back of an over-inflated housing market, an over-exuberant financial services sector and a bloated public sector, because over the past 10 years, all three have combined to distort how our economy is growing, frustrate innovation across different sectors and prevent the reallocation of resources in response to the change that we now face. All three of those sectors have also been created and sustained on a mountain of debt—private debt in the housing market, to the extent that British households now have debt equal to 70 per cent. of disposable income; public debt, which I shall come to in a moment and which has sustained the vast expansion of the public sector; and commercial debt, which allowed the expansion of financial services.

We need to look again at how we treat debt in the commercial sector. I welcome the intriguing and thoughtful proposals made a couple of weeks ago by my hon. Friend the Member for Tatton (Mr. Osborne), the shadow Chancellor, about how we might move from a debt-driven economy to an equity-driven economy that no longer

[Mr. Fallon]

has a tax system that favours debt over equity finance and which moves us forward towards reinforcing our skills base and building a better value-added economy.

We also have to put our public finances in order. With all the extra taxes from the boom years—the additional stamp duty from the housing market, the income tax from City bonuses and the corporation tax from the financial sector—the Government were able to double public spending from £320 billion when they came in to £623 billion in the current financial year. However, the Government have failed in that period to balance the budget since 2001. That is not a deliberate strategic failure and the failure to control our public finances is not sudden or recent. On the contrary: in the 2003 Budget, it was planned that we would be in surplus by 2006. By 2005, that had slipped to 2008, and by 2007 it had slipped to 2009. By last year's Budget, that target had slipped out to 2010-11 and now it appears to have been postponed sine die—which, for the benefit of the House, means "until a Conservative Government."

That matters, because in the end, unless we properly control the public finances, we cannot achieve our goals as a country, and we are failing to invest for the long term. It is that systemic failure to get a grip on our public expenditure that explains why no new power stations have been built, thus jeopardising our future energy security; why only half our school leavers achieve good GCSEs, thus risking our future competitiveness; why our welfare rules rose in the good years, well before the recession started; and why our dilapidated infrastructure continues to put us to shame in front of foreign visitors.

In conclusion, I think our economy is in very poor shape. I think it is badly positioned for the future. Our financial system has been badly regulated and our overall economy has been lopsided in its growth and dominated by debt on such a scale that it is undermining both our private and public finances. Once again, it will be left to a Conservative Government to clean up the mess.

6.31 pm

Mrs. Anne McGuire (Stirling) (Lab): Like my hon. Friend the Member for Birmingham, Northfield (Richard Burden), I want to drill down a wee bit to the impact of the current situation on many small businesses in my constituency, and perhaps replicate the experience of other hon. Members, probably on both sides of the House.

We need to recognise that while we hold big strategic debates, there are actually real people out there who are deeply concerned about what is happening. When I heard the hon. Member for Tatton (Mr. Osborne) talking about the golden legacy of 1997, I remembered what that "golden legacy" was built on. It was built on the destruction of Ravenscraig and of Hillington and Bathgate in Scotland; it was built on the destruction of a mining industry and the decimation of a shipbuilding industry; and it was built on the fact that one in three of this country's children were living in poverty. We should never forget the practical implications of that so-called golden legacy.

If there is one thing I hope the people of this country will congratulate my Government on, it is that we were not prepared to walk by on the other side when there were dire straits. Sometimes when I look across to the Opposition Benches, I realise why I was angry in 1997 when I first came to this House. It was because of what I had seen—and some of the very right hon. and hon. Members sitting in their places today were part of the architecture that created the decimation of communities, not just in Scotland but right across the United Kingdom. Frankly, our Government have had to pick up that legacy over the last 12 years.

Let me return to the local circumstances, as I want to reinforce the House's knowledge that the majority of businesses in this country are from the small and medium-sized enterprise sector; certainly in Scotland, they comprise about 90 per cent. of all businesses, while 93 per cent. of all Scottish firms employ fewer than 10 staff. It is their size, agility and adaptability that make small businesses so ideally placed to react to market conditions.

Unfortunately, as many of us recognise, size is also a weakness. When it comes to the circumstances we are facing just now, small businesses' room for manoeuvre is a little less flexible than it is for some larger businesses. I think we all recognise that credit provides the oxygen that allows these businesses to survive. As someone once said, small businesses are the sort of economic equivalent of the canary in the mine: they are the first to suffer when credit dries up, and they are a good indicator of whether help is getting through.

The Federation of Small Businesses in Scotland surveyed its members at the beginning of this year, and found three main reasons why they are suffering. Yes, they have seen a drop in demand; yes, they have also seen an increase in the length of time they have to wait for payment of invoices; and, lastly, they have seen their credit decrease over the last few months. In some cases, credit is almost impossible to come by.

My contribution to this debate is based not only on surveys—no matter how credible—but on the experiences of businesses in my constituency. One of my constituents has a small export business, employing 30 people, and has had a long-standing and little used credit facility withdrawn by the Royal Bank of Scotland. I am told that the business is not insolvent, but as an export business, it depends from time to time on overdraft facilities, which the bank will simply not renew this year.

Another of my constituents runs a small commercial property consultancy and has banked with the Bank of Scotland for 24 years. The business turns over a modest profit and, against the trend in the property sector, it is projected to break even this year, yet its overdraft facility has been reduced by 20 per cent. and it has been charged a fee for the privilege.

Another example is from the tourism industry in my constituency. For those who have never visited Stirling, I suggest they do as it is a massive tourist magnet. Every battle ever fought in Scotland appears to have been fought in my constituency: there are the battles of Bannockburn and Stirling Bridge, and the ghost of William Wallace runs around the area. The tourism industry is thus crucial to the local economy, but the tourism businesses have had their "comfort" facilities withdrawn, making it very difficult for them to meet contingencies during the winter and early spring period when there are so few tourists around to generate income.

I welcome the Government's clear agenda of getting help out there as soon as possible. As has been said on many occasions on this side of the House, it stands in stark contrast to what the Opposition would have done, as they would have let the recession take its course and done nothing. I also know that my right hon. Friend the Chancellor is committed to continue to take whatever action is necessary to bring Britain through the downturn—hopefully stronger and hopefully soon.

However, I need to impress on ministerial colleagues the fact that, according to the feedback I am getting from the businesses in my constituency, there appears to be a singular lack of knowledge among the banks of the help that is available. Certainly according to actual stories given to me and anecdotal evidence from the Federation of Small Businesses in Scotland, it appears that high street banks are either not aware of the Government schemes that we have spoken about this afternoon or they do not know how they operate. I understand from reading some of the reports produced after the Treasury Select Committee's tour of SMEs around the country that the same message was given to them. Yes, it is fine for us to have strategic discussions and take strategic decisions here, but we have to recognise that information must get through to the grass-roots businesses that are so crucial to the existence of our local communities. I know that there is some evidence that the Royal Bank of Scotland is beginning actively to promote schemes and to offer to work more closely with the business community, which is obviously welcome.

Let me make this concluding point. There is now a level of expectation of what the banks, particularly those in which the taxpayer has majority control, can and should do—and I think the banks need to be aware of that expectation. That should apply not just to their dealings with small businesses, but to how they conduct their own business. To use one final example from my constituency, I received a communication from a small IT company that had a successful relationship with the Royal Bank of Scotland over some years. According to my constituent, it is now a stated aim of RBS to seek offshore services to replace suppliers such as his company—regardless of the logic and, in some cases, in complete disregard of the business case. He accepts the need to get the best price for the job, but is aggrieved—and, I have to say to my right hon. and hon. Friends, with some justification—that firms such as his are being excluded by a bank that he feels he has a stake in. I hope that Ministers will continue to use the influence we have on banks under our majority control to ensure that we not only exercise that control, but exercise it in the best interests of British business at a time when it is facing major difficulties.

Finally, let me say that small businesses did not cause the recession, but they will be vital in getting us out of it. I know that my Government will continue to take all necessary action to ensure that small businesses are supported through these difficult times, but let me make one final plea: we can talk all we like about this, but the partners—the banks, the business gateways, the local authorities—must ensure that the information is getting through. Otherwise, if there is a complete disconnect between what we say nationally and what is happening locally, we will undermine the credibility of all of us, and perhaps make this situation last longer than necessary.

6.40 pm

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I pay tribute to the right hon. Member for Stirling (Mrs. McGuire) for highlighting the importance of small businesses to the economies of our constituencies, and I echo what she said about their frustration that the banks do not always seem to understand what schemes are in place and how they can be best delivered. There is also the general frustration felt by our constituents when they see the big—global—sums going into the banks and then how little seems to be coming out the other end. The banks must be encouraged to recognise the importance of small businesses to our economy.

I want to raise a specific constituency issue that is of major importance to the UK economy too: the future of the oil and gas industry, which has been a great success story for the UK economy. The Treasury has a vital role to play, and now, in the run-up to the Budget, the timing could not be better to reinforce to the Treasury how important the industry is to the country. I should declare some of my interests as registered in the Register of Members' Interests. The most relevant of them are shareholdings in Shell, an oil and gas company, and a visit to the Offshore Northern Seas conference and exhibition in Stavanger, funded by oil and gas companies.

Let me first, however, address some of the general issues that have come up in the debate. I echo the view of my hon. Friend the Member for Twickenham (Dr. Cable) that the economic stimulus of the VAT cut was untargeted. Many Members on both sides of the House have argued that a more targeted approach in other areas of the economy might have led to a more direct benefit. On behalf of another industry in the constituency, the distilling industry, I should add the concern that although the VAT decrease is temporary, the spirits increases will be permanent, and that sends a signal to overseas markets that such discrimination against these products can take place. In the run-up to the Budget, I urge the Government to look again at the approach to alcohol taxes and VAT.

We as a country should celebrate the oil and gas industry as a major achievement, and welcome its successes. A third of the Government's corporation tax comes from the industry, and there are 500,000 jobs in it. It has also been a major part of providing a secure energy supply to this country, and has helped to contribute to our cut in CO_2 emissions through the use of a lot of gas in energy generation in this country. We need to build on that strength. Oil and gas is not a lame-duck industry; it faces major challenges at present, but it has a strong future.

Oil and gas is one of those industries where, even for those who do not believe that the Government and industry should be too closely involved with each other, it is inevitable that there will be a major involvement, because the oil and gas under our seas belong to the nation, but we do not have the skills and wherewithal to get them out of the ground without using private industry. Therefore, there will inevitably be a strong relationship between Government and industry if we are to achieve the maximum benefit for the UK economy.

Some of the challenges that the industry is facing are background challenges, of which the Treasury was, I think, beginning to be aware even before the current credit crisis. The maturity of the North sea province is

[Sir Robert Smith]

one of the challenges: a lot of the infrastructure is quite old, and the finds are much smaller and therefore more expensive to produce, and they rely on the existing platforms and pipelines still being in place to make it economic to produce them. Therefore, there is an increase in costs in a globally competitive market, and the challenge to take forward investment when faced with much higher input costs.

Then, of course, the oil price dropped and the credit crisis hit. Some of the big companies—ExxonMobil, Shell, BP—have their own cash flow and are not necessarily directly hit by the credit crisis, but the maturity of the UK market makes the credit crisis more serious, because many of the innovations and new explorations in the North sea are coming from smaller companies that do not have the cash flow to make the investment.

It is also a matter of great concern that the two major banks that were providing a lot of the liquidity in the North sea were the Royal Bank of Scotland and HBOS. With their tightening up of lending, there is a credit problem, and the drying up of the equity markets also causes a credit problem. In the short term, therefore, the industry faces a challenge. What is needed is not a bail-out, but investment incentives and a better sharing of the risks and rewards between the Government and industry.

The Budget offers an opportunity to provide that. The Government had already been engaged in considerable dialogue with the industry on tax incentives to invest even before this crisis hit, and they have come up with a proposal for a value allowance to encourage greater investment in new fields—smaller fields and high temperature, high pressure fields, and fields west of Shetland where there is more of a challenge and even greater investment costs. The Government must make sure that when they introduce that allowance in the Budget it is of a serious enough scale actually to encourage new investment.

The Government also need to extend the scope of what they are doing to existing infrastructure. Without the existing pipelines, processing plants and platforms still being in place, the new fields into which they hope to attract investment will not be economic, so they need to extend the tax encouragement to incremental developments on those existing platforms in order to make those platforms worth keeping in place for longer and keep the infrastructure available for the new investment.

Another issue the Treasury needs to look at is the cash-flow crisis, because it can play a part where the banks are failing. Exploration gets tax relief. For existing players with existing income, that tax relief comes up front, but for new entrants the Government could bring forward the tax relief, pay that up front, and then reclaim it over the life of the field as production comes in. If they can trigger a greater interest west of Shetland, it will be a real morale boost to see a new province opening up with new finds.

The industry itself has an important role to play, and any Government working with the industry need to emphasise to the industry that it must learn the lessons of previous downturns and keep the skills as far as possible, and not make people redundant. So far, there have been strong signs that it has learned that lesson, but we need to reinforce it. People do not come back to an industry in the upturn if they have been turned away in the downturn. The industry also needs to reinforce its own code of conduct in the supply chain by making sure that those who are cash-rich at present settle their bills quickly, because if the supply chain is not kept operating efficiently and effectively during the downturn, it will not be there again for the upturn.

The reward for the Government if they get the incentives right and get us through the crisis is more oil and gas coming out of the ground in the future, more income to the Treasury in tax returns, and—this is the great jewel in the crown for the UK economy that has come out of the North sea—the exports, such as the skills we now send around the world and that bring money back into this country, to the benefit of our balance of payments. That is especially the case in sub-sea engineering; a great lead has been shown by British expertise in the North sea, from bases in Aberdeen and the rest of the country, and that is now being applied internationally and globally.

While manufacturing is being challenged in many parts of the economy, the North sea oil and gas industry is providing major investment in, and stimulus to, manufacturing. Many constituents in the north-east of Scotland still do not realise how substantial a manufacturing base we have on the back of that industry.

That industry has other contributions to make to the future of UK energy in terms of the low-carbon economy, because the skills learned there can be applied to carbon sequestration, so the Government need to make sure that the incentives for taking forward carbon sequestration are well developed. The expertise learned in the sub-sea engineering sector, which I have mentioned, cuts across into the engineering needed for deep-sea offshore wind developments and for tidal and marine developments for the future.

This is not a lame-duck industry; it is a major part of the UK economy and it is facing a challenge at the moment. With the right handling by the Treasury and the right announcements in the Budget, that challenge can take us forward to a very exciting future where we can see and get rewards—where both the Government and the industry get more. Any oil and gas left in the ground will pay no tax and provide no jobs, and will not contribute in any way to our security of energy supply, so the real message to the Chancellor is to get it right in the Budget. We are at a crossroads; we have bounced back from previous downturns because there was a less mature province and there were still big finds to tempt people back in, but if we do not handle this downturn right, we will not get the benefit of the recovery because we will not have the infrastructure in place to secure that benefit. I urge the Chancellor to make a dramatic move in the Budget to see us through this crisis to a great future—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I call Mr. Lindsay Hoyle.

6.50 pm

Mr. Lindsay Hoyle (Chorley) (Lab): I am pleased to have the opportunity to speak in today's debate, which is one of the most important that the House is holding. It is about how effectively we are addressing the issues affecting the UK economy: jobs; the survival of businesses;

and protecting the individuals who are hit the most by the downturn. We are at a defining moment in our response to the economic challenges that we face. More of the same will not work; the challenges have changed and so must our response.

In changing our response, I believe it is time to bring forward the end date of the VAT reduction. I supported the measure when it was introduced because it had an immediate impact and it was right to introduce it at the time. There was no doubt about that, because we wanted to get money into the economy very quickly and the way to do so was through a VAT cut. That worked at the time, and I do not question the Government. The measure was about helping hard-working families, but there are now signs that the policy intervention has run its course. That was recently highlighted by the Office for National Statistics, which stated that companies are increasingly deciding to reverse the VAT cut; in fact, some local authorities never introduced it, and that has always been a problem.

In addition, we have to assess the opportunity cost of this measure. The VAT reduction has been quite expensive—Treasury figures show a cost of £8.6 billion between now and the end of the year. That sizeable amount could be better redirected in a targeted way to help those in greatest need. One option is to introduce a time-limited wage subsidy scheme, targeted to keep open viable businesses that are struggling due to the economic downturn. The Government have rightly introduced measures to help those who are unemployed, but surely we should be acting to prevent unemployment in the first place—that would be the way forward.

Mr. Graham Brady (Altrincham and Sale, West) (Con): The hon. Gentleman suggests ending the VAT reduction nine months early. Surely one of the big problems with the temporary reduction was the disruption that it caused businesses, which had to change prices without any warning. Is there not a danger that that disruption would simply be multiplied by giving them very short notice of a further change?

Mr. Hoyle: It is not often that I disagree, and the hon. Gentleman makes his point, but I say to him that some businesses never introduced the reduction and some have already put prices back up, so we have a mix-and-match approach in the VAT circles. I understand that there was a cost to business, but this is about doing the right thing by the people of this country and the best thing by people who are losing their jobs. It is about refocusing and re-using that money—we can do that—to keep people in employment, and that is what it should be about. We have to support people who have lost their jobs, because there is no greater upset to any individual or family involved. Surely if we can protect people so that they do not lose their job, that ought to be the measure that we take.

It is a concern that short-time working and temporary lay-offs are now a reality. In some cases, that is having a negative impact on workers who qualify for tax credits, as short-time working is taking them below the minimum hours qualifying threshold. We can help them and we can ensure that those families will still receive the tax credits. We are seeing the impact of short-time working in constituencies up and down the country. My constituents have told me about its impact, highlighting the difficulties and uncertainties facing both workers and employers. Each week more businesses are being forced to do the same. These companies and their workers deserve our support, and we have a responsibility to respond to their needs.

We should introduce a wage subsidy scheme that is time-limited, and that has sufficient safeguards to ensure that only those firms directly affected by the impact of the recession can qualify and that we avoid a dead-weight—in doing so, significant benefits could be achieved.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): I am enjoying my hon. Friend's contribution. On Saturday, I met union representatives from Michelin, Pirelli, Goodyear and others in the essential car component industry, which is being heavily hit at the moment; some employees are now on half the wages that they used to receive. Would he like to comment on those workers in that key industry?

Mr. Hoyle: Manufacturing does matter and we have to protect those workers. My hon. Friend is right, because if workers are on half the salary that they were on and they are working half their hours, it is right that we introduce a wage subsidy scheme. It would help those people and we ought to be doing that.

Mr. David Drew (Stroud) (Lab/Co-op): The problem with short-time working is that it will have long-term consequences if we do not introduce such a scheme. The jobs will go to France and Germany, and even to parts of the UK, such as Wales, that offer these wages subsidies at the moment. That is, quite simply, unfair for manufacturing industry in my hon. Friend's constituency and mine.

Mr. Hoyle: I totally agree with that, and I shall touch on the point that my hon. Friend makes about Wales.

Support such as I am outlining would enable employers to avoid immediate redundancies and to retain essential staff and skills, and if it were linked to training in the workplace, it would provide the added benefit that we would be best placed when we come out of the recession—we would not have lost the skills and we would not have missed out on training. This country has to be best placed, because when the dam bursts the opportunity will be there before us and we must ensure that our people are in place. We will not be able to go round the country saying, "Who has got this skill? Who has got that job? Come back to work here." That will not be good enough. We have to support these people now.

Such support would enable employers to avoid immediate redundancies and the scheme should also be about extra training, because long-term work force investment could be provided in this way. The TUC has estimated that, for a cost of £1.2 billion annually, excluding the training costs, up to 600,000 workers could be protected each year through such a supporting measure. The funding could be drawn from the ending of the VAT reduction, and there would be a considerable sum left over to target elsewhere. As I have said, we could maintain manufacturing, which should be the backbone of a successful economy in the future; we should not be reliant on the financial services. We have to get back to where we were and we have to learn from the mistakes that we have seen. The previous Government and this

[Mr. Hoyle]

Government have fallen into the trap: they gave up on manufacturing when they should have been supporting it, investing and making sure that we were best placed. Let us not make those mistakes again. It is crucial that we get things right this time for the future of manufacturing.

Across Europe, Governments have recognised the benefits of such a scheme. We have already seen the support that has been given in, for example, Germany, France, Spain, the Netherlands and Italy. Closer to home, the Welsh Assembly Government introduced a wage subsidy scheme called ProAct at the beginning of the year; a scheme that took only two months to set up has become operational and now benefits many businesses and workers across Wales, and quite right too. If Wales can do it, so can we. Furthermore, the introduction of a short-time wage subsidy is supported by business leaders such as the Federation of Small Business, by major corporate organisations such as Corus and JCB, and by many trade unions; this is supported across industry and across the trade unions. We must make keeping viable businesses open and protecting jobs the priority if we are to come out of this recession in a stronger position. If we fail to do so, there is a danger that we will lose many of the much-needed skills that are vital to ensuring that our economy is the best. I urge the Government to introduce such a scheme without delay.

The second policy that is urgently needed is a change to the way in which statutory redundancy pay is calculated. I am sure that my right hon. Friend the Financial Secretary is aware of the aims of my Statutory Redundancy Pay (Amendment) Bill. Some 200-plus MPs have signed the early-day motion, and the Bill has had a Second Reading and I hope that it will now go into Committee. It is critical that the Government pick up this issue in the Budget. There is a real belief that it would make a difference, so I hope that the Government will not let the people of this country down. Let us reduce the two-year period to one, and let us be honest and stand by our manifesto pledge.

I also urge my right hon. Friend to reject the proposal for a minimum payment guarantee, floated by the CBI. There is a real danger that many workers would lose out as it would be lower than the current statutory cap.

Workers up and down the country are facing the threat of redundancy through no fault of their own. We need to do something to help them. Many hard-working people are looking forward to the Budget. People who have saved money and are dependent on those savings for an income are now being failed. We need a scheme that would provide a guaranteed minimum return for savers, through a national savings scheme. That would guarantee that those pensioners who have looked after their money and saved all their lives would get a return when they need it.

Such a scheme would bring investment into a bank, and that bank should be run by the Post Office. It could provide a guaranteed return to people who save with it, and it would ensure competition for the major banks. We own a bank—Northern Rock—and we should use that. The Royal Mail does not have a banking licence, so we should use the bank that we already own. We need to ensure that there are banking services in rural and urban areas, and we need a bank that will take on the likes of RBS, challenge them and show them what a bank should be. Our bank should look after businesses, its customers and its investors. Pensioners need to know that their money will be safe and protected. We should have a guaranteed minimum return on savers' money. We could fund that by reversing the VAT cut early. The cut has served its purpose, but it should now be reversed.

We are the party that should be standing by people. We should stand by businesses. We have lots of good ideas, so let use those ideas. Let us work together to formulate a future for our constituents and businesses. Manufacturing needs our help. Up and down the country people are losing their jobs. Nobody should have to lose their job when we can do something about it. My proposals would be a good way forward and protect manufacturing. Let us drive forward together and bring it on.

7.3 pm

Mr. Andrew Tyrie (Chichester) (Con): It would be ridiculous to say that the Government are responsible for all Britain's economic problems, but it would be equally ridiculous to say that there is no connection between the policies that they have pursued and the crisis that now confronts the country. But that is what the Prime Minister is saying. The public can see that he is in denial about his role in aggravating the crisis. Whether it is in the interests of his party to be more frank is a matter for him, but I am confident that frankness is required to help the Government get the policy right. The country will not believe a Government or a Prime Minister who are in denial about the causes of the crisis that we are in. The Government will have no credibility on their emergency measures or for longer-term proposals for reform.

The Government share the responsibility for the crisis in three important respects. The first is the regulatory system, largely designed by the Prime Minister. It is very important not to assume that, with a better regulatory system, we could have wholly avoided the crisis. There are considerable limits to what can be achieved by regulation, as the Governor of the Bank of England pointed out recently. Excessive regulation may reduce economic performance, but too little will lead to systemic collapses.

The Government aggravated the crisis by introducing a new regulatory framework in 1997 that simply did not work. They created the tripartite committee system, which manifestly and predictably failed. During the passage of the Financial Services and Markets Act 2000, when we debated the memorandum of understanding that explained the new tripartite arrangement, I questioned whether those new arrangements—which left no one in overall charge in a crisis—were sustainable. I pointed out the risk of conflict between the FSA and the Bank in a crisis—exactly what we have experienced. I pointed out that banks tend to act like sheep, like the Gadarene swine, ploughing over the cliff all together. When banking problems come, I reminded the Committee,

"they come not as single spies, but in battalions."—[*Official Report, Standing Committee A*, 13 July 1999.]

In response, all I got from the then Minister was a claim that a great deal of time had been wasted on the matter. I was not the only one raising such concerns. Howard Flight did so, from the Front Bench, as did my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley).

On Report, I said that the new tripartite system was

"wholly untested. If it is tested, I worry that it might be found wanting."—[*Official Report*, 27 January 2000; Vol. 343, c. 609.]

It was found wanting. That system led us to the extraordinary position of not even collecting liquidity statistics for the banks. The Bank of England thought that it was no longer its responsibility to do so, and the FSA had not yet got round to doing so. The plain fact is that the tripartite arrangement, with its division of responsibilities, leaving no one with clear overall responsibility for leadership in a crisis, was an accident waiting to happen, and it happened with Northern Rock.

The second important respect in which the Government aggravated the severity of the crisis was by running a huge deficit during the boom phase of the cycle. That was, as far as I know, not just folly, but unprecedented folly in modern economic history. We have heard a lot from the Government, and especially the Prime Minister, about the need for, and the value of, a fiscal stimulus. We have heard more such talk today from several hon. Members. Setting aside the issue of whether we need such a stimulus over and above the automatic stabilisers, the plain fact is that Britain is extremely badly placed to increase the size of its deficit. That is why the Governor took the unusual step of cautioning against any further substantial discretionary easing last week.

Ms Sally Keeble (Northampton, North) (Lab): Does the hon. Gentleman accept that the Governor has always taken a very precise attitude towards his responsibilities and those of the Monetary Policy Committee? It is our responsibility to look at the wider social implications of the recession and to deal with those, and that is where the requirement for the fiscal stimulus comes from.

Mr. Tyrie: If the argument for the fiscal stimulus is not economic, but social, let the Government make that case. We are repeatedly told that the fiscal stimulus is needed as part of the package of measures to rescue us from our share of global deflation—a completely separate argument.

The third respect in which the Government aggravated the crisis was in the language that they used to describe their economic policy to businesses, the markets and the public in the past decade. When the Prime Minister, as Chancellor of the Exchequer, said, I am told, 120 times in the House of Commons alone that he had put an end to boom and bust, he may have thought that he was making a clever reference to Conservative policy, but he was also sending a strong message to those taking decisions about their mortgage and business lending.

One of the reasons why Britain's personal indebtedness is so high is that by saying he had abolished boom and bust, the then Chancellor was reassuring the public that it was safe to go and borrow to the hilt, and that is what happened. The combined effect of a large fiscal deficit and a massive rise in personal borrowing is now highly toxic for the British economy. Millions of borrowers will need to rebuild their savings, slowing the pace of any recovery. The Government will have to close the gap between spending and taxation, and that is going to be extremely difficult to achieve. It will be painful for many years to come if Britain's creditworthiness in international markets is to be sustained.

I sometimes wonder whether the Prime Minister was foolish enough to believe his own rhetoric about boom and bust. Why did he embark on such a spending spree after 1999? Did he, too, believe that he had put an end to boom and bust? At that time, many people in the City and the House warned him that that would be an illusion. Here, if I may beg the tolerance of the House for a moment, is one of my efforts to warn him:

"Labour talks as if it has abolished the business cycle when it refers to the end of boom and bust"—

I was saying this in the House nearly a decade ago—

"but the business cycle has always been with us. There will be a recession. I do not know when, but I guarantee that there will be one. It may be sooner or later, but, when it comes, the relatively incautious fiscal position that I have described will be found to be extremely vulnerable."—[*Official Report*, 20 April 1999; Vol. 329, c. 784.]

The Government, led by the Prime Minister, still persist in arguing that this crisis was largely an American one. We heard more of that today, but the severity of the crisis and the difficulty of a recovery, is very much part of the Government's responsibility. The Prime Minister's plain denial of all that is getting in the way of sorting it out, clouding the Government's judgment and corroding their credibility with the public.

Let us compare this situation with the poll tax. That was a mistake—not such a big one, but still a mistake. The Conservatives, albeit with a new leader, owned up to that mistake. That honesty undoubtedly contributed to the election victory of 1992. So far, I see no evidence at all from this Prime Minister, who is also a new leader, that he understands that simple point. I do not worry whether his denial is damaging Labour's prospects, but I worry very much that if it persists, it will damage the country's ability to deal with the crisis. That, above all, is why this Government have to go and why it will fall to a Conservative Government to clean up the mess.

7.12 pm

Mr. Michael Meacher (Oldham, West and Royton) (Lab): I have listened to the speeches made from both Front Benches, and the yawning black hole in this debate is the Opposition's lack of any serious positive alternative way of handling the crisis. Having said that, I think also that the Government's policies are not working adequately in accordance with the objectives that they have set, and that is what I want to address.

The Government have now committed at least £1.2 trillion to shore up the banks to get lending flowing again through the economy to businesses, jobs and home owners. They have tried reducing interest rates to their lowest rate since the foundation of the Bank of England in 1694. They have thrown gargantuan sums of taxpayers' money at the banks through special liquidity, credit guarantees, bank recapitalisations and asset protection schemes. They have provided a huge fiscal stimulus, which I support, even when the deficit on the public accounts was already enormous. They have now started to print money—the so-called quantitative easing—even at the risk of severe inflation in years to come. I respect the huge efforts that they have made to get on top of the crisis, but the truth is that the purpose of all that action—lending—has deteriorated sharply. It is not increasing at all.

In August 2007, when Northern Rock collapsed, lending by the banks and building societies to businesses and home owners—I am referring to the M4 money

[Mr. Michael Meacher]

supply—was growing at an annual rate of 17 per cent. In September 2008, a year later, when the Wall street banks collapsed, the rate of growth had fallen to 9 per cent. Last month, despite the eye-watering sums committed to the banks to get lending going again, it was down to a disastrous 4 per cent. None of the policies, sadly—tragically—is working or at least working adequately.

The House must ask whether there is an alternative. There certainly is, but despite this being the biggest crisis that Britain has had to face for nearly a century, the Government—so far, at least—appear unwilling to consider it.

Why has bank lending largely stalled? All the policies employed have been based on the premise that the banks are keen to extend credit and that the real problem is a lack of sufficient reserves. That might have been true initially—it probably was—but it certainly is not true now. They are reluctant to lend now because they fear that they might not have enough capital to meet the losses from their existing loans. Indeed, given the liquidity scares of the past year or two, they may well prefer to hold more reserves in relation to their deposits. For that reason, the latest boost through quantitative easing might prove rather limited in effect. Even if the supply of money were increased, as the Government desperately hope, the velocity of circulation, which they cannot control, might fall. That would leave spending unaffected.

We have committed £1.2 trillion—a sum equal to 80 per cent. of our GDP, which, if fully called in, would almost bankrupt the country. Moreover, any further major fiscal stimulus has now effectively been ruled out by the comments of EU leaders in advance of the G20 meeting, let alone by those of Mervyn King. However, the state, on which the banks utterly depend, is still not requiring the banks to raise their lending to businesses to the level necessary to contain unemployment and save the real economy, which is the whole aim of the exercise.

Ms Keeble: Does my right hon. Friend accept that the intention of quantitative easing was to bring down long-term interest rates? That first stage has started to flow through in the 0.5 per cent. fall in the long-term interest rates referred to at the start of the debate.

Mr. Meacher: I accept that quantitative easing has not had a chance to be developed; it was put into operation only a few weeks ago. The Government put £75 billion in and still hold another £75 billion in reserve. We cannot reach a judgment on that. There are very good reasons for thinking that its effect will be rather limited and nothing like enough to restore lending to the levels of one or two years ago. That is the problem.

Even when the Government hold a majority of the equity, as they do in RBS, they are still allowing bailed-out banks, in effect, to dictate the terms. As part of the bail-out, RBS agreed to increase lending to £25 billion—a mere 3 per cent. of its total lending to non-bank customers. President Obama sacked the chief executive of General Motors as a condition of the company's receiving greater aid, but nothing has been done in this country to remove failed or discredited bank executives.

While the US Congress capped executive pay and imposed a 90 per cent. tax on bonuses, the Government's latest quango, United Kingdom Financial Investments Ltd, is pussyfooting around the bonus culture and the continuing scandal of the massive use of tax havens by bailed-out banks. There is a great danger that UKFI could be captured by the banks it is supposed to be disciplining.

The Government have socialised the banks' losses while continuing to privatise their control. That is the essence of the point, and the hon. Member for Twickenham (Dr. Cable) made it. The only way to stop this haemorrhaging of the nation's finances is to take temporary—temporary—control of the banks that either cannot or will not increase lending on anything like the scale required to halt the unfolding collapse of the economy. Toxic assets that are virtually worthless should be sold or written off; they certainly should not be underwritten by colossal amounts of taxpayers' money. Boards of directors guilty of gross mismanagement should be removed, and replaced by new managers with a different system of governance and a different set of goals. The new boards, with the security of the backing of the state behind them, should give absolute priority to restoring, as nearly as possible, the full 2007 level of lending to businesses and home owners.

I repeat: that is not an ideological stance. Nobody is proposing public ownership for its own sake—I am certainly not. It is simply a common-sense, temporary mechanism.

Mr. Andrew Pelling (Croydon, Central) (Ind): Does the right hon. Gentleman agree that the problem is that we have zombie banks that are unable to lend because the toxic assets have not been removed from their balance sheets? The approach that he proposes is not a matter of ideology: one of its attractions is that it would allow us to cleanse the banks, restore confidence in our financial system and get lending going again.

Mr. Meacher: I could not agree more. All the enormous financial inducements given to the banks have not succeeded in removing, or even identifying, those toxic assets. My point is that we need to have direct control if we are to achieve the objective that the hon. Gentleman has described. That is simply the only way to get the restructuring that the private sector either cannot or will not achieve—to change banks' governance and operational rules, and to change their top management to bring about the mandate to implement these alternative principles.

Why, therefore, do the Government not exercise that control? One answer that I have heard is that the policy is not about saving the real economy at all, but about saving the banks. If so, it might be said to have been moderately successfully, but I do not believe it is.

Another possibility is that the Government—and, given the speeches that I have heard, almost certainly the Opposition—believe that a bit of firm tweaking here and there, a successful G20, and a bit more regulation, perhaps flooding the banks with money and raising capital ratios, will mean that we can somehow return to the status quo ante, and that the engine of financialised capitalism can roar off again.

That is an absurd fantasy. The neo-liberal model of leaving things to the markets because they know best is irreparably bust. Whatever financial architecture emerges

from the wreckage, there will have to be a fundamental restructuring: unquestionably, the financial sector will have to shrink dramatically.

The third answer—and the only other one I can think of—to why the Government do not exercise control of the banks is that the rejection of nationalisation and of giving direction to banks even temporarily is so embedded in the new Labour emotional and psychological mindset that it is simply not seriously considered. If that is so, we are in an almost Alice in Wonderland situation.

If the liabilities of RBS and Lloyds are included, as they have to be, public debt is now reaching a staggering £1.7 trillion to £2.2 trillion, according to the Office for National Statistics. That is up to 50 per cent. more than our entire GDP and, with all the implications that has for our national solvency, I find it incomprehensible that we are still not taking command of the situation. We face the impending collapse of the real economy, and tens of thousands of otherwise viable companies may collapse and unemployment may well reach 3 million to 3.5 million, so we should be using our power to direct the banks. I am all in favour of trying all the other policies first, but we must give absolute priority to restoring full-scale lending to businesses and home owners.

I conclude with a point about parliamentary accountability. We have not had a Government debate on the economy in the past six months, in which there has been a gathering storm of momentous peril, both for our country and globally. Even today, the debate is being held on a motion for the Adjournment of the House: there is no substantive motion and no vote.

It has been a fascinating debate, but what is the point of a talk shop if we cannot debate—and vote on, and made decisions about—key economic policy options? This is the most important issue this House has faced in the past five or 10 years. Ultimately, it is not just a question of economic direction: it is even more an issue of parliamentary accountability. That is what Members of this House need to address now.

7.25 pm

Stewart Hosie (Dundee, East) (SNP): It is a pleasure to follow the right hon. Member for Oldham, West and Royton (Mr. Meacher). Of all the tasks that the Government must get right, one would imagine that handling the economy, including taking steps to measure and mitigate risk, would come top of the list. That means that they should have put laws on the statute book in good time to deal with failing banks. Instead, we have had emergency measures, and we have only just got the Banking Act 2009.

The Government should be transparent about their actions, especially when it comes to spending or committing vast sums of public money. There should have been transparency about PFI liabilities, and the various schemes they have announced—many of which I support—should have been fully worked up, costed and ready to go before the press releases were issued. People remain disappointed that they cannot get proper access to some of the funds, not least the enterprise finance guarantee, if they do not offer a further guarantee to the banks. That has made the whole thing almost worthless, an issue to which I shall return.

I welcome most of the schemes that the Government have announced. They are important because, as others have said, the real economy has gone into recession. The national debt amounted to half a trillion pounds even before the banking crisis began to bite, and that left nothing in the tank to stimulate the economy when the downturn came. As a result, every action that the Government have taken has effectively been predicated on increasing the national debt to £1.2 trillion in a few years.

Even that may not be enough, if the recent forecasts that the Government are out by £100 billion this year alone are correct. To put that in context, that is a debt equivalent of £50,000 per UK household, but if all the contingent liability for the banking bail-outs and the off-balance sheet PFI stuff is included, we may well be talking about a national debt somewhere north of £2 trillion.

The Government oversaw the creation of a house price bubble, allowed too much credit into the system in the early part of the cycle and had nothing in the tank to stimulate the economy when the recession came. All we had were their foolish claims to have ended boom and bust, but the real economy went into a hideous recession, with output down, capacity lost and unemployment at 2 million. We have suffered the largest ever single rise in unemployment, and many of our constituents are in a pretty miserable place, but the difficulties in the banking sector almost overshadow those faced by real people in the recession in the real economy.

I want to speak briefly about what might be called the public genesis of the recession in the UK—the Northern Rock crisis. On 14 August 2007, the Bank of England was made aware of the difficulties in Northern Rock. Shortly afterwards, the European Central Bank, followed by the US Fed, Japan and Canada, pumped huge amounts of money and liquidity into the banking system. On 12 September 2007, the Bank of England rejected that approach. The run on Northern Rock began on 13 September, and it was five months before the company was finally nationalised on 17 February 2008.

The lack of capital was such a problem—although it was not recognised at the time—that we have recapitalised the banks. We have had the facilitated takeover of Bradford & Bingley, whose mortgage book has been taken on by the taxpayer, and we have pumped hundreds of billions of pounds, in one form or another, into the banking system, but the Banking Act has only just been passed. However, we do not have legislative proposals yet for new banking regulation, even though many recognise that weakness in that regard was a significant part of the problem.

I welcome the asset protection scheme, even though it amounts to open-ended insurance on the banks' excess bad debts, because it will insulate the toxic debt, remove the fear of default and give banks back the confidence to lend to each other. However, the Government have placed untold billions of pounds of liability on the public books even before the new banking regulations are place.

Let me bring the banking story up to date with the sale at the weekend of Dunfermline building society to Nationwide. I have no problem with Nationwide—it is a good building society—but the story has parallels with those of Northern Rock and HBOS. The Financial Services Authority ought last October to have concluded a deal to recapitalise Dunfermline building society, at a cost at that point, it is reported, of some £20 million. Apparently, the FSA did not have the people needed to

[Stewart Hosie]

conclude the deal. We ended up yesterday with the announcement of the transfer to Nationwide, including £1.6 billion in net financing to cover the value of the deposits transferred, plus the liability of the bad debts, mainly the commercial loan book, being taken on by the taxpayer. That five-month delay was unnecessary.

In addition, as happened with HBOS, when the Government panicked and did the deal, they excluded other potential bidders: in the Dunfermline's case, as we found out yesterday, Scottish Friendly had put in a serious bid to solve the problem, but was ignored by the Government. The Lloyds-HBOS deal was forced through in much the same way.

Of course the banking fixes are expensive, but as important to fixing the real economy are many of the Government's other actions, including the fiscal stimulus package, which I support, although I shall discuss the detail in a minute. However, as I have said before, I would like to see recognition of the fact that in February, April, October and November 2008, the United States, Spain, France, Japan, Germany and others announced stimulus packages—well in advance of the UK.

On the stimulus package, in particular the VAT cut, although I think we need fiscal stimulus, I do not think that monetary policy will be enough. We found a week after the VAT cut was announced that the same sum directed to direct capital investment would have preserved or protected more than twice as many jobs. That would have been a far better route to go down.

The health or otherwise of the economy generally and the success or failure—or even the commencement of delivery—of the Government's initiatives are of equal, if not greater, importance to helping business craft a recovery from the recession. One of the key features of policy is the enterprise finance guarantee scheme, but of the £1.3 billion promised, only 5 per cent. has been allocated since January. As for the other schemes—and in no particular order—only £100 billion has so far been drawn down from the £250 billion announced to support interbank lending; the consultation on the house sale and rent back scheme will not report until May; and the home owner mortgage support scheme, which is even more complicated, fiendishly so, is not properly up and running. According to answers I received from the Treasury four weeks ago, not all the re-profiled money brought forward to be spent in the next financial year has yet been allocated to specific projects. All those schemes are essential. Why were many of them not properly worked out and ready to go before the press release was issued?

We can also clearly measure the impact of the recession on business, not simply through the rise in unemployment but in other ways. I was struck by the purchasing managers index scoring for January, which is well below any indication of an upturn in the economy. The spokesman for the Chartered Institute of Purchasing and Supply said that the sector reported an "anaemic opening to 2009", with record falls in employment in factory jobs. I understand that 30,000 factory jobs are being lost every month. He went on:

> "While the weaker sterling exchange rate acted as a crutch to prop up export orders, benefits were offset by the downturn in global demand."

However, the weaker exchange rate is also acting to exaggerate inflationary figures for essential imports, as we saw only last week in the contradictory messages given by the consumer prices index and the retail prices index. Even with sterling down 15 per cent. against the euro and 27 per cent. down against the dollar, the balance of trade figure for the whole of 2008—a £46.1 billion deficit—is barely changed from the £46.5 billion deficit of the previous year.

Kelvin Hopkins: Will the hon. Gentleman give way?

Stewart Hosie: No. I have nearly finished and it would not be fair.

The position may be made worse if the quantitative easing programme fails to deliver what the Government expect.

In the few seconds left, let me make two pleas to the Government. First, they must get the schemes they have announced up and running properly and stop announcing new ones. More important, they must get before the House the legislative framework for any new banking regulation we need, including the appropriate early warning systems promised some time ago, so that we can consider it fully and quickly, and get it up and running as well.

7.35 pm

Ms Sally Keeble (Northampton, North) (Lab): I listened with great interest to the hon. Member for Dundee, East (Stewart Hosie), who made several important points about the need to deal with banking regulation. We in the Treasury Committee have been examining key points relating to regulation.

I find it surprising that all the Opposition parties are so opposed to the Government's active intervention to tackle the present crisis. I understand the Conservatives taking that position, because they believe in a small state and, unlike Labour Members, they do not take the view that, in a recession, the state should actively intervene, but I am surprised by all the Opposition parties taking that view. I am especially surprised by the attitude consistently taken by the hon. Member for Twickenham (Dr. Cable). I believe that the interventionist approach taken by the Government, risky though it is, is the right and the only way to tackle the crisis and kick-start the economy out of recession.

I shall look first at the monetary side. The asset purchase facility is the right policy; the one thing I would question is whether the release of the funds has not been a bit cautious. The scheme has now moved beyond gilts and on to commercial paper and some of the riskier products, but still only half of the facility has been used. I was interested to hear—I cannot remember which Front Bencher said this—about the 0.5 per cent. fall in long-term interest rates, which is perhaps the first sign that quantitative easing has been working. That is precisely what is supposed to happen and what will hopefully start to get the money flowing through the system, making it work again.

The Government were also right to introduce the asset protection scheme. It is right to insure and not to nationalise, because the functions of banking are essentially market functions and belong in the private sector. We should not nationalise them. The valuation of the assets

subject to the asset protection scheme is not yet known, nor is it clear when the losses, if any, will crystallise. We have to hope that the losses are limited and that, in fact, the taxpayer does not have to pay out the full value of the assets.

People have spoken as though the Government have done all that without asking for anything back, but that is not true. Agreements have been made with banks that have accessed the recapitalisation funding and the asset protection scheme that they will lend at 2007 levels. The Government have been clear about that. In the original statement to the House, my right hon. Friend the Financial Secretary said that he would report back after a year. At that time, several of us pressed him to report back month by month. I hope that he will accede to those representations and report back monthly on the lending position of the banks. To encourage that, I have tabled questions and will continue to do so, so that we get information on bank lending levels.

Public patience with the policies, good though they are, will run very thin indeed if the banks continue to fail to honour their side of the bargain. We have all heard stories about that in our constituencies; I have in mine. I have heard of cases in which banks have not only not been lending, but have trawled through the facilities that they have provided and have called them in. In my area, in spectacular fashion, HBOS called in a £2 million loan on a property that is part-way built, and which, I am assured, has tenants signed up for when it is completed. We need to be absolutely clear that in return for the taxpayer providing the insurance for the toxic assets—getting them off the banks' balance sheets, so that the banks can start to lend again—the banks will keep their side of the deal and lend at 2007 levels.

The other side of the equation is fiscal policy. There has been much discussion about a second fiscal stimulus. It is really important that the Government do not pull up the drawbridge on public spending just when the recession is starting to hit some of the most vulnerable people. The Governor of the Bank of England's expectation was that as quantitative easing worked, and as money started to flow through the system, the demand side of the economy would pick up. That is very much a trickle-down approach. It assumes that we have time to sit and wait while that happens, but we do not.

In addition to looking at what is happening with the money supply, we have to deal with the social consequences of the recession. It is important that the Government use the fiscal measures at their disposal, as they are not in charge of the quantitative easing or the short-term interest rates. They should use fiscal policies—the tools that are at their disposal—to increase demand, and to protect some of the most vulnerable members of the public from the consequences of the recession. I shall identify two particular ways in which they should do so. The first relates to a point that David Blanchflower, a member of the Monetary Policy Committee who is about to retire, made in a powerful presentation in Portcullis House recently. He said that of the 600,000 young people leaving school this summer, an estimated 300,000 will be unemployed. We cannot tolerate the idea of 300,000 young people—plus some university leavers, no doubt—finding themselves unemployed. His report also pointed out the long-term consequences for young people of a period of unemployment early in their lives.

I now come to the second respect in which we cannot just wait for the trickle-down effect, and hope that it will happen. We must protect people who risk losing their homes. We have all seen the figures on mortgage arrears and repossessions. I join in the criticism that I am sure that other people make about the mortgage rescue scheme not yet being online. I am extremely concerned about the fact that the mortgage interest support is linked to income-based jobseeker's allowance, and not contribution-based jobseeker's allowance. I am also concerned about the fact that it runs only for two years. That will create real pressure for a good number of families.

If I have a particular ask for my right hon. Friend the Financial Secretary, it is that in the coming Budget there should be measures to tackle unemployment among young people; perhaps that could be done through a reduction in national insurance and tax contributions for employers who employ the under-24s. That would help both businesses and young people. My right hon. Friend should also link the mortgage interest support to tax credits. That would give us a more flexible instrument with which to support families who risk losing their homes. I strongly support the measures that the Government are taking, but I hope that they will put in place small, targeted fiscal stimuli, even if they think that one big one is out of order, to protect some of the most vulnerable people from the impact of the recession.

7.44 pm

Mr. Richard Spring (West Suffolk) (Con): In his Mansion House speech in June 2007, the Prime Minister actually congratulated the City on its global pre-eminence and looked ahead to furthering the objective of light-touch regulation. Today we can look at the wreckage of the failed tripartite regulatory system, the deterioration of our international competitiveness and a massive increase in the involvement of the state. The pound sterling was then riding high. Today the world has made a judgment on us via the performance of our currency, and it is damning.

We have a chronic trade imbalance, and a recession that is severe and likely to endure for longer than in any other industrialised country. Of course, to a greater or lesser extent, no country is unaffected by the world downturn. We see in this crisis how globally interdependent we are. There was an unspoken mutual interest in the United States purchasing Chinese goods in exchange for China's accumulation of massive dollar reserves, but clearly that is now ending. It may be that as a result of the G20 meeting, there will be more agreement to share in the monitoring of financial activity internationally, and an enhancement of the funds available to the International Monetary Fund, but the fact that the Chinese floated the notion of a new international currency mechanism, which was not rejected out of hand by the US Treasury Secretary, suggests that the total dominance of the dollar since world war two is destined to end. We may be witnessing, in this credit crisis, the beginning of a hugely significant shift in the world order.

Whatever the final communiqué of the G20 spells out, it will still leave this country in the midst of a terrible hangover of excessive public and private debt, which will cripple us for years to come. The Prime Minister, then Chancellor of the Exchequer, gave the Bank of England a core remit of keeping inflation low.

[Mr. Richard Spring]

In 2003, under the guise of trying to achieve pan-European measurement comparability, house prices were excluded from the measurement of inflation. That was a tragic error, because on the back of a substantial rise in money supply, interest rates were kept too low for the credit free-for-all that ensued and the huge resulting increase in private debt. Northern Rock could offer 125 per cent. mortgages.

With cheap Asian goods flooding the country, inflation, as measured by the Bank of England, looked unrealistically low. That is something that the Governor of the Bank of England now regrets. Given the importance of home ownership in this country, and our traditional investment focus on residential and commercial property, it should now be a matter of the utmost importance that the Bank of England reviews how housing costs can be assessed for inflation target purposes, and that the macro-prudential role of the Bank of England incorporates consideration of asset prices. Never ever again can we suffer a repeat performance of the policy that led to an asset bubble being effectively excluded from interest rate policy.

The transfer of banking supervision to the Financial Services Authority was quite simply wrong. Individuals of the highest calibre in the Bank of England had monitored banks' activities for generations. Of course, no regulatory system has been or ever will be perfect, but I have often heard how much that accumulated wisdom and experience was valued, giving the Bank of England a credibility in the world that is now much diminished.

We are entitled to look at how our tripartite system failed us, and so compounded the problems that arose from unfettered credit and asset expansion across the world. That has been well spelled out in the Turner review. We know that officials in the Treasury, the FSA and the Bank of England were aware of growing imbalances, but none took responsive action. There was a clear failure to recognise the extent of the systemic nature of the unfolding failure. The inability to act was a fundamental flaw in the system—a system that was of the Prime Minister's creation. We understand that, incredibly, the three principals hardly ever met formally; that is woefully characteristic. To announce a policy, but to then be incapable of dealing with its implementation, is a hallmark of the functional incompetence of this Government.

We need carefully to consider how, in future, macro-prudential regulation is to be managed. Looking ahead, I believe that we have to revive the central role of the Bank of England. What the public rightly demand is that this terrible crisis is not repeated and that at the very heart of our regulatory system of financial services is a clear pre-emptive remit. Its ability to assess and dissect the continuing pattern of change which invariably arises in the financial sector, to ensure financial stability and to understand and interpret the marketplace is for the avoidance of both systemic and excessive individual corporate risk. We need a 21st-century version of the Governor's eyebrow—a focus and influence that the FSA will simply never be able to achieve.

Undoubtedly the individual actions of senior bankers have been frankly disgraceful, whether at Lehman Brothers, Merrill Lynch—I worked at both—or RBS. I think that some clearer sanctions should be in place to deal with such individuals. If somebody is guilty of medical malpractice they are struck off by the BMA; indeed, the same approach applies to other professions. In theory, the FSA has the power to apply financial, civil and criminal sanctions, but I am not convinced that it is the right body to do so.

There is a danger that in the current atmosphere either a lynch mob mentality descends or ultimately that new and counterproductive regulations seek to satisfy public outrage. To pre-empt those outcomes, I suggest that a new body be created with the express purpose of dealing with such individuals, so that next time some master of the universe decides to agree to market a new product that he cannot understand, he might first pause to consider the consequences.

We have seen a whole series of bank mergers in this country over the years, hastened by a number of dramatic shotgun weddings of late. Vast banks are difficult to regulate and their importance means that we have seen what is often described as moral hazard, including the nationalisation of risk. Of course we are where we are, and our most important challenge is to re-liquify our banking system and return it to profitability and to the private sector, but if there is one lesson we need to learn about this, it is the need to open up banks to effective competition. If that means breaking up in due course some of these mammoth institutions, so be it. The present structure is both oligopolistic and unhealthy.

The G20 working group has quite rightly advocated convergence towards a single set of high-quality accounting standards. It is truly astonishing that credit agencies have been able to triple A ratings in the most cavalier fashion, perhaps in part due to conflicts of commercial interest, with all the consequences for investors in Icelandic and other banks. Also, if we are going to have more common accounting standards, we are entitled to ask for improved accounting methods among the practitioners, who—to put it mildly—have not challenged some outlandish valuations.

We have seen an almost neurotic flow of Treasury announcements and misjudgments such as the VAT cut. The decline in our competitiveness has led the people of this country to a view of the future that is not optimistic. For everything that the Prime Minister is doing is about political survival; it is compounding the strength of the recession into which his catastrophic economic mismanagement has led us.

The G20 will not save this Government and neither will the Budget. Frankly, the only thing that will save this country now is the return of a Conservative Government to do what Conservative Governments have had to do time and time again throughout history—unpick the very shambles they have inherited.

7.53 pm

Mr. James Plaskitt (Warwick and Leamington) (Lab): I want to return to the daunting agenda in front of the G20 and in particular—this will come as no surprise to my right hon. Friend the Financial Secretary—to focus on finding a way forward for the future regulation of the global banking system, coming away from the problem we have at the moment, which is a Balkanised regulatory system trying to deal with global institutions.

As Lord Turner says in his very welcome report, the seams in this garment first split in the United States. It is interesting to see the response of the US Government, which is to try to begin harmonising their own regulatory platform within the United States, a much more fractured system than we had. That will lead them to come up with something rather similar to our FSA. But as Henry Paulson, the former Treasury Secretary, said recently, that in itself is a multi-year undertaking. It might just bring the USA more or less to where we are now. At the same time, we are part of negotiations within the EU to bring forward the capital adequacy directive. This will be fairly slow progress, yet the task is urgent and the solution required is on a wider and global scale, and not on the scale currently being addressed.

I want to urge the Government that, in their talks on this, they look not just at the scale on which regulation must be achieved in the future, but the method. In doing so, I want to urge caution about relying too much on the Basel approach, which has informed the process up to now. We should remember that that approach has no legal basis and is silent on the issues of compliance and systemic risk and that, within it, the banks have been setting the terms of trade. The system is built on internal risk basing, which involves banks defining and measuring their own risk and their own extended cover. It relies on value-at-risk measurement, which is simply a mathematical approach relying on inferences from past behaviour and was rightly described by Lord Turner in the report as "highly misleading". It also relies too much just on the instrument of capital adequacy ratio. There is no oversight of accountancy methods or of liquidity. It is simply a conventional device that is inappropriate for regulating what are now a swathe of very unconventional financial instruments.

Finally, the Basel agreements also have a narrow view of what constitutes banking. They are silent on the issue of shadow banking and on off-balance-sheet banking. They have not been able to keep pace with the degree of leverage or securitisation in the system. In fact, a lot of banking activity has gone on outside the boundaries of the Basel system, but even the banking activity that has taken place within it has resulted in country regulators engaging in a race to the bottom to prevent financial flight to other countries, because national competitive advantage in the end always trumps regulatory concerns.

The question is where we go now. The first thing that needs to happen, and is beginning to happen, is the restructuring of the banks themselves. That is happening on an institution-by-institution basis via recapitalisation, extracting the toxic assets and underwriting inter-bank activities, all of which are essential. However, they will not in themselves be enough, which is why we are also now beginning to hear resurfacing the argument about whether we need to separate out retail banking activity from investment banking activity and in some way or other re-introduce the now famous Glass-Steagall-style legislation that emerged in the United States after the 1929 crash. The argument is simple: the US banking system worked pretty well while the Glass-Steagall legislation was in place; the problems that have arisen came post-repeal; so let us reintroduce Glass-Steagall. That is a very simplistic misreading of the chain of causality, because some of the banks that failed were not crossover banks at all. The structure that has now emerged is in any case far too complex to unpick, but there are some principles within the Glass-Steagall-style regulation that are relevant. There is a need to look at firewalls in the system, not simply firewalls between retail and investment banking, but ones that will help to address the issue of proprietary trading and the activity of hedge funds.

We also need major regulatory reform, in my opinion. I think that there is a G20 consensus on the fact that that is needed, but the approaches that I see various key players taking are quite different. The right issues have been identified: capital adequacy, credit ratings, accountancy standards, remuneration policies, counter-cyclicality and the need for early warnings are all on the agenda, and they all should be. But the questions are what tools there are for tackling that challenge and whether the required geographical scope that is required can be met. What will replace the now failed and defunct Washington consensus? Some say a revised Basel system, but that is fatally flawed and will not in itself do the job. Others say that the IMF should be strengthened, but we need to remember that that too has no legal remit over regulation and is in itself tainted by its association with the Washington consensus.

Alternatively, there is reference to the Financial Stability Forum and the introduction of the new colleges, but that in itself is not the answer. The colleges have no legal basis. They cover only the largest financial institutions, and the supervision that they carry out is built around the structure of the large firms individually. Even the colleges are not looking at the risk of systemic failure. They meet only a couple of times a year and they do not change the relative responsibilities of the supervisors. They have no formal decision-making powers. It is still a case of the financial institutions driving the agenda of regulation, not vice versa.

The colleges are certainly better than the gaping hole that currently exists, but on their own they are still only a paper-thin safety net. That might feel all right while the banks are on the defensive or on the back foot, but it will not last unless we take the opportunity to address the fundamental imbalances in the system.

We need to go much further than the devices that have been suggested and consider the possibility of achieving a treaty-based international agreement on minimum standards, particularly in relation to transparency and information sharing, which in future will be critical if we are to have effective safeguards against systemic risk. Risk taking by an individual player in a genuinely open competitive system might not be so bad, but we have learned that when all players are taking the same risk simultaneously, that presents the threat of systemic failure. The problem is that we do not have a regulatory structure that operates on the same scale.

I am not suggesting some form of world regulation or a world Government to do that, which would be impractical, nor do I want over-regulation. In the architecture that I propose, there will still be national regulators and the colleges, but if we can achieve something like that, which is essential if we are to avoid a repeat of the present crisis, for the first time there will be some basic rules of operating on the same scale as the operating of the major players. We have not had that, and we will need it in the future. It is the only way of correcting the fundamental imbalance.

I hope we will not try to rely on the working of the Basel system alone, or on the IMF alone, or on the Financial Stability Forum or on the colleges. They all

[Mr. James Plaskitt]

have a part to play. I entirely agree with that, but the total that is needed is greater than the sum of their parts. For that reason, I hope the G20 will consider the opportunity that is now presented to devise some form of treaty-based, and therefore international and genuinely global, banking regulation. Without that, I fear that at some point we could end up repeating what is happening now.

8.3 pm

Mr. Graham Brady (Altrincham and Sale, West) (Con): It is a pleasure to follow the hon. Member for Warwick and Leamington (Mr. Plaskitt). It was also a pleasure to listen to earlier contributions to the debate, notably those of my hon. Friend the Member for Chichester (Mr. Tyrie) and my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), who have been involved in the discussion about the framework of financial regulation much longer than I have.

My 12 years in the House have rather reflected the experience of new Labour. I spent my first six years entirely focused on schools and hospitals. I then became absorbed in foreign affairs. It is only in the past couple of years, since I had the privilege of joining the Treasury Committee, that I have had to confront the horrible reality of the current economic situation.

There have been a number of comments from Members on both sides of the House about the real implications of what is going on in the economy. One of the early remarks was about the failure of some of the schemes that the Government have put in place to try to support business and make sure that lending is happening and that credit is moving in the economy. In particular, the enterprise finance guarantee is not operating as effectively as the Government or the business community had hoped.

As members of the Treasury Committee who went to Leeds, Halifax and Edinburgh heard from banks and business people, one of the problems is that the banks have been charged with assessing the viability of a business as a threshold for giving the enterprise finance guarantee. As one banker asked, "How are we meant to assess the viability of a business which may have been operating profitably until just a few months ago, but suddenly doesn't have an order book on which to base its future projections?" What is really needed may be gap funding for businesses, rather than such a viability-based guarantee.

The Forum of Private Business and some other business organisations have been quoted this evening. In its recent survey, the Forum of Private Business found that nearly a third of its members needing finance have failed to obtain it. The forum also found that among its members, from October to December the cost of overdrafts had gone up by 1.4 per cent. and the cost of commercial loans by 1.6 per cent. at a time when interest rates were being cut. That has clearly not fed through.

There are three main aspects that I shall address briefly in the time available. The first is how we look at the management of the bank assets that the taxpayer now owns, which have been put in the hands of the new organisation, UK Financial Investments. A number of Members have raised concerns already about the way in which the publicly owned or part-publicly owned banks are behaving, and whether they are fulfilling the remit given to them by the Government or the remit that Members might see as appropriate for them.

We need real clarity, which is currently lacking, about the powers of UKFI and the independence of its operation. It made a bad start—a point that I raised in the Select Committee—by being seen to act on behalf of Ministers in the matter of Sir Fred Goodwin's pension, even though UKFI admits that it did not have a specific remit to do so. If, as I think we all hope, the taxpayer is to emerge eventually bearing as little cost as possible from the ownership of those bank assets, UKFI needs a clear mandate, clear independence and clear objectives to that end, looking at how, ultimately, we will extricate ourselves from the present position.

I shall not go over the ground that has already been covered regarding the depths of the financial crisis, the efforts that have been made to combat it through monetary and fiscal policy, and the quantitative easing that is being embarked upon by the Bank of England. Some of those measures may be entirely necessary and appropriate, but they do not come without a cost in the longer term.

The G20 has been mentioned, as it is meeting in London over the next couple of days. We have heard about the importance of the co-ordination of policy from different countries or, as my right hon. Friend the Member for Hitchin and Harpenden put it, the need for bifurcation of policy—a co-ordination of different approaches by different countries.

Crucially, the situation is still getting worse. As we look at the way different recessions have been charted over time, and the projections and predictions about the route that they would take, we find there is a long history of progressive forecasts being proved wrong, usually because they are too optimistic. They tend to project an early and steep emergence from recession, and then they are revised to suggest that that will be much more gradual. That seems to be happening now. The Governor of the Bank confirmed to me last week that the Bank's view is changing, having originally envisaged a fairly steep V-shaped recession. As he said, "That was our view in February," which seems a fairly explicit recognition that the view is changing monthly.

Secondly, one of the crucial problems that we face, which has been alluded to this evening, is the unprecedented rate at which unemployment is rising, and the fact that that rate is itself accelerating. In my constituency, the unemployment increase from January 2008 to January 2009 was 88 per cent.; from February 2008 to February 2009, however, it was 105.4 per cent. All the surveys suggest that the situation will continue to get worse. As the hon. Member for Northampton, North (Ms Keeble) mentioned, a large part of that unemployment increase has affected young people in the 18 to 24-year-old age group. That is a particular concern and a particular problem. If we do not address the problem of increasing unemployment, we will quickly get into the second-order effects and problems for other aspects of the economy. A greater number of people facing unemployment, negative equity and housing repossessions will impact again on the toxicity of bank assets, and make all the problems worse again. It is a worrying spiral.

My third point is about public debt, which Members—on both sides of the House, I hope—are increasingly coming to see as something that will dominate the national debate for a long time. It will do so regardless of which

party wins the next election. We have already seen the level of net debt as a percentage of GDP go rapidly back up to 43 per cent. after a period in which it had been rather lower. However, the rises projected for the next few years are truly frightening. By 2013-14, the level is projected to go up to 57 per cent. or more. As has been noted, that is due to a combination of the operation of fiscal stabilisers, the fiscal stimulus that has been applied and the high and increased levels of public expenditure in the past few years.

Some of the warnings have been stark. Writing in *The Times*, Robert Chote says that the continuing cost to the Exchequer could be about 3.5 per cent. of national income. Professor Colin Talbot looked at the cost of bringing debt back to sustainable levels in the next spending round. He said that that would be tantamount to real-terms reductions of 5 per cent. a year in public expenditure, which by 2013-14 would amount to a cut of almost 17 per cent. or £125 billion in public spending, roughly equivalent to abolishing the national health service.

The real test of the Government will not be what they say on 22 April about the next financial year, but how plausibly they start to chart the course for the medium and longer term to bring the levels of debt down to sustainable levels, with which the country can live in the future.

8.13 pm

Mr. Mark Todd (South Derbyshire) (Lab): I hope that the House will bear with my slightly croaky voice, which would certainly stop me singing and will abbreviate what I say. Coincidentally, my speech will follow on precisely from that of the hon. Member for Altrincham and Sale, West (Mr. Brady).

In this debate, our immediate focus has understandably been on the process of restarting the economy. Others have been bold enough to talk about the world economy and our role in that. We have yet to consider, beyond the inclusion of broad figures in the already wildly outdated projections of the pre-Budget report, the harsh task that lies ahead of us if we are to rebuild a framework of sound public finance in this country.

The debate has been useful because we have attempted to educate each other in what we have been talking about. Frankly, some of the more informed Members have said that the much-debated fiscal stimulus is pretty small in comparison with the other means that have been employed to boost our economy. The automatic stabilisers are far more substantial, and the steps taken in monetary policy and the devaluation of sterling are also much more material.

Even according to our current relatively conservative way of counting, the impact on public expenditure as a whole will leave us with net borrowing of more than £125 billion in 2009-10, the year that we are just starting, and with total borrowings of more than £1 trillion. Others have speculated that if we included a variety of other things, the figure would be much greater still. Hidden within the figures is the fact that from 2002 onwards, we operated with what would seem to have been a structural deficit.

Even in a period of consistent growth, we were running material and non-forecast public deficits. The hon. Member for Sevenoaks (Mr. Fallon) drew attention to the consistent misforecasting of our deficit in the early part of this decade. Merely reverting to pre-crisis patterns of spending and revenue-raising—even if it were possible to do that; I shall touch on why it is not—would see deficits growing still further. According to one estimate that I have read, it will take until 2030 to return public finances to pre-crisis levels.

There are already signs that the scale of future deficits, unbacked as yet by clear strategies on how they may be corrected, are having an impact on the effectiveness of our short-term measures. Dissonance between the Bank of England and Government messages is one obvious example, but bond market reactions—the willingness to purchase Government bonds—may be another indication of exactly the same concern. *[Interruption.]* My hon. Friend the Member for Wrexham (Ian Lucas) is very kind to give me a glass of water; it may also provide relief to Members listening.

The default past response to the need for reductions in deficits has been broad-brush top-down spending cuts. On the evidence of past programmes, that produces extraordinarily inefficient spending management. The cuts made are normally those easiest to make—capital expenditure is generally the first victim—rather than cuts that may require longer gestation and will have a more enduring structural impact. Localised non-strategic savings are also produced; a cut in one area generates an increased cost within another budget heading, outside the responsibility of the accountable manager.

Clearly, we will need new tools in confronting the task that lies ahead. We have an extraordinarily limited institutional memory of robust spending management. The Gershon reviews yielded some material savings, although audit suggests that they did not add up to as much as has been claimed, but they were achieved within a comfort blanket of general public spending growth, allowing redeployment of resources to count as a saving towards new priorities and allowing long paybacks through substantial initial investment. Those luxuries will not be available to us in the future.

What must we do? First, we should use part of the time bought by the fiscal and monetary stimuli to debate the political framework within which we will have to operate. I say "we", because I take the view of the hon. Member for Altrincham and Sale, West: this will be a task for whichever party wins the election and arguably it makes the election one that many might wish to lose. I am not a candidate at the next election myself.

To make serious inroads into our debt ratio will require far more than annualised savings or economic recovery, especially bearing in mind the large tax takes from banking and the City on which we have relied, and which will certainly not return in the short term and may never return. One estimate suggests—it was quoted by the hon. Member for Altrincham and Sale, West—that merely to stop total public debt increasing further will require a real-terms cut in public spending of about 5 per cent. every year from 2011 to 2014.

First, what will be our political and ethical compass? The Government have indicated, rightly, that tax increases, particularly for higher earners, will play a part in addressing the deficit, but I would not try to exaggerate the significance of that in terms of the scale of the task ahead of us. We will be operating in a context where most losers will see themselves as victims of the errors or venality of others;

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a willing partnership of burden-sharing will be near impossible to construct. To even attempt that, it will be necessary to demonstrate that there is clear ethical governance in what we do.

Secondly, we will need to reinforce our strategic armoury. Radical choices will be required. Incremental chiselling will certainly not deliver what is needed. To be honest, we will have to ask questions about whether there are parts of public spending that simply cannot be justified in the predictable circumstances of the next decade. Merely twiddling away 1 or 2 per cent. will not do the job.

Thirdly, we should use the recovery period—when a cuts programme would be counter-productive—to engage with our public sector work forces. In the straitened circumstances of the recession, collective bargaining in the private sector on the sharing of burdens has been shown to work effectively, with work forces clearly understanding the need to protect the business in which they work. It will be extremely hard to remove memories of rigid top-down programmes of savings, but the dilemma ahead will place in sharp focus the choices that have to be made by workers and management within the public services.

Finally, a change programme typically requires leadership quite different from that required to lead a stable organisation: that normally means importing hugely expensive consultants and their PowerPoint slides. Their presence in large numbers is a strong impediment to collective burden-sharing, and we must accelerate the growth of our own skills and their transference within the public sector.

One thing is absolutely certain: our public services will be reshaped very substantially as a consequence of this crisis. The moral compass and the methodology that we decide to use will be one of the critical choices before the electorate at the next election; so far, they have heard little that could inform their choice.

8.23 pm

Sir George Young (North-West Hampshire) (Con): It is a pleasure to follow the hon. Member for South Derbyshire (Mr. Todd); I am delighted that his vocal chords lasted as long as his notes. He made a thoughtful, well-informed and rather sobering speech reminding us that whoever wins the next election will have to take some difficult decisions given the scale of Government borrowing and Government debt. Tantalisingly, he implied that some sacred cows would have to be slaughtered, but he did not tell us which were his chosen ones.

I want to make three points in my brief contribution to the debate. The first is a criticism of the action taken in the pre-Budget report, but the other two are helpful suggestions as to what the Chancellor might do in his Budget both to bring down Government debt and to stimulate economic activity. The criticism relates to the £12.5 billion to reduce VAT for 13 months that the Government announced last December. Let me pick up a point made by the hon. Member for Twickenham (Dr. Cable). I am not against a stimulus to help to kick-start the economy, but the VAT reduction was sensationally misdirected. I believe that the Government should have used the money not to encourage shopping but to encourage housing. The money should have been invested in assets in housing and infrastructure, which the Government could then have set against liabilities that they had incurred through borrowing £12 billion. Those assets would also have generated an income through the rental stream from the houses that were built or from selling on those houses for low-cost home ownership. It would have been prudent to borrow to invest rather than borrow to spend. When the VAT reduction comes to an end, the Government and the taxpayer will have nothing tangible to show for it whatsoever—and, I fear, very little intangible either.

Furthermore, investment in housing, construction and infrastructure would have had far bigger employment consequences than the VAT reduction, much of which will have leaked into imports. How many jobs, if any, have been created by the VAT reduction? Yet £12 billion injected into construction and housing would have provided work for the thousands of people in the building and construction materials industry who have lost their jobs during the recession. Crucially, it would have produced more homes for those in housing need and would have brought the Government's target of building 3 million more homes by 2020 within range, whereas the current public expenditure provision of some £8 billion is going to fall well short of that. The money could have enabled registered social landlords to acquire land at good prices to build out schemes that are stalled because section 106 funds are longer available. Starts could have been made on land that has planning consent. Some of the money could have been used to buy new homes that are overhanging the market and would have been put to good use by those on waiting lists. If the Government had done that instead of the VAT reduction, some of us might even have voted for it—who knows? It would certainly have been far more popular outside than what the Government did.

My second point is related to the first. That £12 billion is no longer available, but the housing market is still on its knees. We need to increase the supply of housing without further driving up public borrowing. The Budget should promote long-term, sustainable investment in new private rented housing by pension funds and insurance companies facilitating housing investment trusts. That policy has been around for some 15 years and has had all-party support. The portfolios of our institutions are not exposed to residential housing. They can invest in commercial property, in gilts and equities, and in other esoteric products, but they cannot invest in bricks and mortar—homes that would produce a growing revenue stream, as rents have historically risen with prices. The Government should deliver on some of their promises made over the past 12 years. In 2004, the Treasury consultation paper promised us a real estate investment trust—REIT—structure that would encourage the development of new housing. Then we had the 2006 Budget, which said:

> "To attract more capital into house building, we are now legislating to introduce for Britain the real estate investment trusts that are so successful in the USA."—[*Official Report*, 22 March 2006; Vol. 444, c. 293.]

However, nothing has happened. REITs have been used only to convert commercial property and pubs; as far as I am aware, not one single residential property has been built through a REIT. That Budget initiative produced nothing at all.

The challenge for the next Budget is to come up with a structure that works. I was delighted to hear at a meeting with Bob Kerslake, chief executive of the Homes and Communities Agency, that that dialogue with the Government is at last being revived. With public expenditure now stretched to its limits, we need a fresh look at how institutional funds can be harnessed to tackle housing needs. Housing starts this month are 59 per cent. down on the figure a year ago. The Government are producing one third of the number of houses this year that they need to meet their target, so there is a real need for fresh investment in housing, and I hope that they will look at the initiative that I have proposed.

My final suggestion is a response to the ballooning public sector borrowing requirement, and the difficulties that confront the Government in financing their debt—an issue to which others have referred in this debate. My hon. Friend the Member for Altrincham and Sale, West (Mr. Brady) referred to an article by Robert Chote in *The Times* on 19 March, in which he said:

"The biggest task for whoever is unfortunate enough to win the next general election will be to mop up the gallons of red ink spilt over the Government's finances by the economic crisis."

The Government have made it clear that they are bringing forward elements of the capital programme from year three to year one, such as the Homes and Communities Agency budget. I welcome that, but it will push up the PSBR. To counterbalance that, the Government must bring forward some of their income, and they should do that by selling interest-bearing tax certificates. These bonds could be used only to settle future tax bills. I suggest that in his Budget statement, the Chancellor makes such certificates available for sale, bearing interest at 4 per cent. tax free—that being the figure assumed in the pre-Budget report as the average interest the Government would pay on their debt.

These certificates have been introduced before, in 1941, at a time when the Government had to manage a huge amount of debt. Interest then was tax free, and the certificates were discontinued only 30 years later when Government borrowing had been reduced. Those approaching retirement, for example, may wish to invest in these certificates, in order to reduce the tax they pay when they retire. Others may want to buy them to reduce the duty on their estates. They would be even more popular if one could transfer them to other members of one's family, but they would be of interest to anyone who pays tax, not just the well-off.

These certificates are essentially different from straightforward borrowing. Borrowing pushes up the PSBR, whereas the measure I have suggested would reduce it. It is like a company discounting its invoices by selling them for cash. If the Government borrow, they have to pay the money back, but when they sell a tax certificate, they do not have to pay the money back. It also solves another problem. Many people want to save and, looking ahead, we will have to encourage saving. How do people save at the moment? Do they invest in gilts or equities, do they leave their money in their current account—my high-interest current account pays 0.1 per cent. interest—or do they buy gold? We need a new savings vehicle that whets the appetite of savers, and which helps the Government to manage and reduce their debt, and restore confidence in the currency.

There we have it: a rebuke for some well-meant, but hopelessly misdirected fiscal stimuli; a request to do far better and to deliver on a housing policy which the Government are committed to but have failed on; and some lateral thinking on promoting saving and managing debt. I will not mind at all if the Chancellor steals those ideas and puts them in his Budget.

8.32 pm

Alan Simpson (Nottingham, South) (Lab): I was intrigued by the ideas outlined by the right hon. Member for North-West Hampshire (Sir George Young). We would all do well to think carefully about them. My intention probably differs from his because I have no interest in rescuing the system as is, but his ideas may well be part of the system we have to move towards.

I would like to use my time to put on the record a number of heresies about the mess we are in. I have no desire to reach for the olive branch held out by the shadow Chancellor on a consensus that can be agreed on in the G20 or in this House. I have no desire whatever to save free trade from protectionism. I have no desire to reform the International Monetary Fund, rather than replace it. I have no desire for an agreement that would rescue regulators by giving them some sort of global therapy network where they could cry on each other's shoulders.

The current crisis is an ideological one; it is a crisis of globalisation, and we should acknowledge that, rather than pretend it is somehow accidental. As soon as the deregulating bandwagon got running and production started to chase the lowest labour costs and the least environmental obligations, we were always going to face a looming crisis. Beginning in the 1970s, this was a crisis of overproduction.

The crisis took us into other contradictions. Those who were producing on the back of cheap labour still wanted markets to sell in. Within the industrial world, the problem was that this put a squeeze on median wages, and the sections of consumer society to which corporations wanted to sell their products were workers who no longer had the wages to buy goods that they used to produce themselves.

To get out of that mess—square the circle—the answer was burgeoning credit. Unfortunately, that was sold to us as a solution that would deliver everlasting growth. Public debt was changed into private debt—it went off balance sheet. Somehow we allowed ourselves to be mesmerised and think that this would give the world a way out of the mess we were creating. Had we not done that, we would have faced deflationary problems. As it is, we now face a global recession that runs the risk of becoming a global depression.

This was always inevitable, and we need to acknowledge the collusion between successive Governments in the past 20 years. Many of us on the Labour Benches argued that new Labour's economic and political error was to sign up to an agenda scripted by the old Conservatives, but that, too, is part of history.

We have to address the fact that in our position, there is probably no choice other than to have an interventionist Government with clear notions of where we want to end up. The question is what sort of interventionism we have and where we intend to redirect the economy.

In principle I am in favour of bank nationalisation. The Government were right to be willing to step in to guarantee savings. They were probably not right to accept that, as part of the deal foisted upon us by the

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banking and finance sector, we should somehow have a duty to pay off other people's gambling debts. It is not the duty of the taxpayer to bail out the speculator, but that was the financial absurdity that we allowed ourselves to be bounced into.

Before the Governor of the Bank of England tut-tuts about a second financial stimulus—targeted at the real economy this time, I hope—I want him to explain to the public and the House how he justifies the £1.5 trillion stimulus that made up the rescue package for the financial services sector that took us into this mess. I find myself in the same position as Joseph Stiglitz, the former World Bank governor, who says that it is not the job of Governments to do anything other than rescue narrow banking, real banking, proper banking or whatever we want to call it. We ought to have the courage to say that we will allow investment banking to collapse.

This will allow us to get back to a proper framework in which those who run up gambling debts have to take responsibility for them and we do not saddle the taxpayer with them. I suspect that what I am saying is what is said to virtually every Member by people in their constituency. We are challenged by members of the public saying to us, "This is not my crisis, these are not my debts. Why should I accept the liabilities and the mess that have been created for us by gamblers?"

Had we nationalised the banks and brought them into public ownership as utilities, we would be in a very different position. We could have instructed them to lend into the real economy rather than charge prohibitively to repay the Government or restock their own finances. Part of the problem that firms across the country are facing is in accessing any of the money that has been put into the banking system as notional liquidity.

The UK has put £285 billion of up-front support into the financial sector, which is 20 per cent. of the UK's GDP and four times the average percentage of the G20 countries that are meeting this week. My argument to the Chancellor is that we have to draw a line and make it quite clear to the financial services sector that we will not take on any more of its bad debts. If that results in collapse, so be it. We should take in fire sale assets and not the debts that we should not carry. However, even if we do that, it will not be enough. I hope that the Chancellor will introduce measures in the Budget that allow us to shift from the old to the new economy.

Many of those who have the courage to think beyond where we are suggest that, when we come out of the credit crunch, we will find ourselves knee-deep in the climate crunch. The economic issues that define our political agenda and our future will centre on food security, water security and energy security. To those in the energy sector, sustainability will mean a shift to renewable energy sources, not a replication of the polluting energy sources on which we have relied in the past.

We need a new Bretton Woods, with two distinct features: first, all the aspects that Keynes wanted to include—all the internationally rebalancing mechanisms between rich and poor; and, secondly, the ecologically balancing measures, which were not even considered at that time.

Like it or not, we live in an era of protectionism. The World Bank recently reported that 17 of the 20 countries that it examined had introduced protectionist measures in the past few months. I hope that our choice will be environmental protectionism rather than the protectionism that has done so much damage in the past. However, we cannot continue to pretend that protectionism is not the realistic scenario that we face. Our history shows that the countries that became the most rich and powerful insisted on the right to protectionist policies to become rich and powerful. In our context now, perhaps we are required to do that to survive.

In the debates in the G20 this week, I hope that we will have the courage to say that we will not put more money into the banking coffers, but that we will shift the basis on which funding is provided to international institutions through introducing a new global Tobin tax. We need to get corporations to fund a way out of the mess that they created, not citizens and taxpayers.

Outside the House, on the streets of London and cities throughout the world, protesters demand a different regime from the one we have constructed so far and anything that Parliament has debated. They regard our debates as a feast of fools and, unless we have the courage to go further, they will be proved right.

8.42 pm

Mr. William Cash (Stone) (Con): I listened to the debate with great interest, but there have been moments when I felt that we were listening to an economic seminar, some of which gyrated around the learned reports that had been pouring out and the questions with which it is important for those who are super-intelligent in economic matters to grapple.

I want to deal with several matters that underpin our discussion, and concentrate on what we must do to kick-start our economy and get into a position, against the background of a likely 3 million unemployed next year, where we can ensure that the people who would otherwise be severely disadvantaged are given a genuine opportunity not only to survive but to prosper.

I should like to get one thing off my chest—it will not surprise anybody. Many of the problems we are experiencing in the current economic crisis are partly attributable to the failures of the European Union. *[Laughter.]* I said that would not surprise anybody. In the fiscal policy debate on 7 October, I pointed out that it was a question not only of banks, but of countries. I considered the stability and growth pact and the deficits under the Maastricht criteria and the convergence criteria. I said that I thought that some countries would go under. I leave it to others to judge whether I was right, but the bottom line is that the absurd stability and growth pact means, as I said in an article written as many as five years ago, no stability, no growth and no pact. The idea that somehow one can fine countries that get themselves out of kilter with their deficits is absurd when one considers the size of the deficits, as I said on 7 October. I mentioned the latest figures from the Office for National Statistics to the Chancellor this afternoon.

The ONS's current estimate of our public sector deficit is £2.2 trillion, which not only is triple what the Government set out in the pre-Budget report only three months ago, but excludes major financial obligations, such as public pensions, which amount to £1 trillion,

and PFI schemes, which amount to about £70 billion. Including those obligations takes the total to £3 trillion—I challenge any Member on the Government Benches to say, "Oh, we're not going to pay the public sector pensions." Those sums may not be in the ONS statistics, but they are certainly financial obligations. If we add them in, we arrive at a figure of £3 trillion, which I am informed is 200 per cent. of GDP. France, Spain, Greece and Ireland have all broken the pact's rules with their rising budget deficits. Therefore, the whole thing is complete nonsense.

In addition, there are riots going on. I know that Ukraine is not part of the European Union, but there are huge riots going on in Latvia, Greece, Spain and Italy. They are grass-roots reactions. No wonder the far right is going up. That is where the problem lies. With hon. Members representing Stoke-on-Trent in the Chamber this evening, I should say that we are deeply concerned about the growth of the British National party in our area. In Stoke-on-Trent there are as many as 12 or 13 BNP councillors, and that is likely to grow as unemployment increases.

In the few minutes that are left, I want to deal with the absurdity of the direction of the response by the G20 and the Government, which is towards more Europeanisation. There have been letters in the papers today from Roland Rudd, Lord Brittan of Spennithorne and a variety of other Euro-fanatics, who are asking for more Europe and not less. The fact is that Europe is a practical failure and people need to wake up to that. I am not against co-operation or trade, but I am very much against European government and a failing system.

Mr. Flello: I am grateful to the hon. Gentleman for raising the issue of the far right in Stoke-in-Trent. Is he aware that when Councillor Coleman, one of the BNP leaders in the city, was asked how the economic difficulties would affect his party, he said that the misery was good if it meant that it would gain power?

Mr. Cash: That kind of language is extremely dangerous. I have even received BNP literature in Pimlico in the past couple of days, which really is extraordinary, and now there is Sevenoaks. Situations are developing all over the country that are of grave concern, but which, at the same time, are a reflection of the economic crisis that we are in and which we must do something about.

That brings me to the more positive side of the equation. There is European government and over-regulation, but I want the introduction of the supremacy of Parliament amendment, which I have proposed on many occasions. We could thereby override legislation and return to what the leader of the Conservative party said in November 2005 about his imperative policy being to repatriate labour and social legislation, by using our powers in this House and ensuring that we govern on behalf of the people of this country, in accordance with the votes that are expressed in the ballot box, not according to majority votes or the rules of the European Court of Justice.

While we are on the subject of financial regulation, I simply make the point, which I have made many times, including to the Prime Minister last week, that there are a lot of weasel words coming from the Government. I challenge the Financial Secretary to the Treasury to tell me this evening whether we will indeed repudiate the idea of the Europe-wide supervision of banks and financial services. I have read the 85 pages of the de Larosière report and the European Commission's response. I have also read the Turner report and the explanatory memorandum to the European Scrutiny Committee, by the man whom I have described as the hapless Lord Myners, whom we are summoning to the Committee to explain the explanatory memorandum. There is absolutely no doubt whatever that, despite the Government's attempts to say there will be national supervision, if this turns into a regulation or directive under the Single European Act, that will mean simply acting as agents for a European system, and the effect will be to bring in majority voting. While it is being negotiated, we will be able only to tinker with it, not to change it, and it will subsequently be adjudicated by the European Court of Justice. That will cover the whole of our banking and financial services, which is an enormous threat to the City of London and an enormous threat to this country. I believe that it is also a threat to the Bank of England. I suggest that we wake up and realise exactly where all this is going.

I said that I was going to say something on a more positive note. There should be much more emphasis on the importance of giving credit arrangements to companies that need credit in order to buy the excellent machines of companies such as JCB in my constituency and others. We should also remember that small businesses employ 58 per cent. of the UK's private sector work force and contribute half of the UK's GDP, employing more than 12 million people. We want to look after those small businesses.

One of the first things I did when I came to the House was to bring in the Small Business Bill. I have always believed in it; I have always believed in promoting enterprise and employment. We should bear it in mind that 90 per cent. of UK businesses employ fewer than 20 people, so what should we do to help them? Of course we have to help bigger companies, but at this point in the debate I emphasise that we should ensure that we provide these businesses with post office banks, which I believe would help a great deal. There is a proposal from the Federation of Small Businesses to provide a network of small post office banks, which would help rural communities where there is a great deal of deprivation, while also providing facilities in competition with, but not overtaking, the main banking system.

I think we should reintroduce enterprise allowances and enterprise zones, which were enormously successful in the 1980s, and I think that we should reduce the burden of legislation and the burden of taxation wherever it is possible to do so in application to small businesses. In the light of what I have already said about the economic crisis, I fear that public expenditure will be massively reduced and taxation will go up. In the course of that, we must also look after small businesses. I strongly advocate more relief for empty properties.

We want a positive message to go out about what we could describe as the grass-roots people in this country; we should ensure that they have a real purchase on their own future. Right now, what is happening is that they are being crushed, yet they represent a very substantial proportion of the business community and of the population of this country. I say we should put small businesses right at the top of the list.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Before I call the next hon. Member to speak, let me point out that time is rapidly running out, so if hon. Members could see their way to taking less than their allotted 10 minutes, it would be extremely helpful.

8.53 pm

Ms Katy Clark (North Ayrshire and Arran) (Lab): It is a pleasure to take part in this debate and to follow the hon. Member for Stone (Mr. Cash). I agreed with some of what he said, particularly about the rise of the far right and, indeed, about post office banks. We are both members of the European Scrutiny Committee and I suspect we have different views on Europe, but I agree with him that it has been interesting to observe how what the EU identified as orthodox criteria that had to be adhered to have had to be thrown completely out of the window in reaction to what has happened over the past year. Many of us felt that those orthodoxies and rules were not necessarily in the best interests of us or other European countries in any event.

Many people listening to the debate may feel that some speeches have not necessarily related to where they are. They may feel that the language we use and how we put our points across do not relate to the problems they are facing in their lives. Significant numbers of people have already suffered as a result of what we have been through over the past year or so. Many people have lost their jobs, particularly in the construction industry and manufacturing, and many people are worse off as a result of what has happened, although others are better off financially, as their tracker mortgage payments have decreased. One of the biggest impacts, however, is that the entire community has experienced worry about what lies ahead.

People are very fearful about what might be coming. They do not know what is coming, but over the past year they have watched on their television sets what has happened to the casino economy of capitalism, with share prices plummeting and events taking place that nobody in any of the major political parties' leaderships had predicted. As a result, people have been genuinely fearful of what lies ahead, and it has to be said that the political class has not really provided leadership in explaining what is going on. That is because it is difficult to explain, as there are no words of comfort that we can give to people because of the nature of the crisis that we could face.

One of the problems with capitalism is that so much of it is to do with confidence. Some people, including some Opposition Members, have said they always thought a recession was coming because the nature of the economic cycle had not changed, but they could not predict when it would come. Often, it is something unpredictable that leads to a complete breakdown in confidence, and then we experience the spiral of the past year, and longer in the United States of America.

We face major challenges. There is no doubt that Britain is suffering as a result of events in the world economy, but some of the poorer countries in the world are experiencing much greater pain. We should welcome the fact that the G20 is taking place in London this week. We should also welcome its having been expanded to include 20 countries; it is a step in the right direction that representatives of more major economies are taking part in these discussions. We must also recognise, however, that that still means that many of the major players and peoples of the world are not represented in these discussions by having their leaders there, and also that even countries that are represented are very much represented by political elites that have bought into the systems that have led to the situation we are now in.

Many people simply feel that their voice is not being heard, and it is incumbent on us to look for ways to provide political representation for those people. I say that particularly for Labour Members, because in my view one of the reasons why we have got ourselves into this situation is that the financial and economic system has given little attention to the long-term issues that people face. Far too many short-term decisions have been taken that are about the interests of an individual, company or corporation making money, rather than the long-term interests of the majority of the people in this country.

Speaking as someone involved in the left of the Labour party, one of my frustrations is that we will have to relearn lessons that we have learned previously. A number of Members have referred to what happened in the 1930s, but what was very clear then was that it is not inevitable that capitalism will continue to produce and to grow, and to work in a stable way. It is part of the nature of capitalism that there is a boom and bust economy. The types of regulations that were brought in after the crash have been dismantled over the past 30 or 40 years, with the support of all the major parties including the nationalist parties in this place. I say that as a Member who represents a Scottish constituency. Those of us who remember the Thatcher and Major Governments will recall how they dismantled—the Major Government less so—many parts of financial sector regulation and will be painfully aware that our own Government have not been strong enough to take on the interests of big business and capital. That is part of the reason why we are in this situation.

We have to recognise and be very aware of the role of practices such as short selling and of the fact that although the Government promised us last October that regulation would be brought in for the banking sector, we are still not having a real debate about what that regulation should be and about the actual detail. We have to recognise that over the past 30 years the gap between the richest and the poorest in this country has increased, and decisions have been made without taking into account the long-term interests of the people. Even in the past year, when we have been facing this crisis, we have still been far too soft, particularly on the banks and on big business.

We are reaching the point where we have a UK banking liability that is four and a half times our gross domestic product, so we have to consider what my hon. Friend the Member for Nottingham, South (Alan Simpson) and other hon. Members have said about the fact that the British state is not big enough to provide insurance for the whole banking sector, and look at the different forms of liability, be they retail liability or speculation. We have to say that if British taxpayers' money is going into the banking system, we must control the decisions that the banks concerned are taking. People talk about the nationalisation of the banks, but in reality most of the money that has gone into the British banking sector has not gone into it in a way that could be considered nationalisation, because we have not got control over the banking decisions that are being made.

One can quite understand that issue from the banks' point of view, because a conflict of interest is involved, as a number of hon. Members have mentioned. The banks obviously want to protect their capital and to make sure that they maintain their reserves, because they are worried about their own futures, whereas British taxpayers, whom we all represent—they come to our surgeries—think that if they are putting their money into the banks, that should be passed on and Government policy should be, as is generally agreed throughout the House, that the banks lend that money on to small businesses.

I reiterate the point made by a number of hon. Members, including my right hon. Friend the Member for Stirling (Mrs. McGuire), that there is massive frustration that despite our having put so much money into the banks and despite so many helpful Government initiatives, those initiatives are not coming through at the grass roots, businesses up and down the country are not getting credit and that is having a massive impact on the people whom we represent. I ask the Minister to respond to my points at the end of the debate, particularly in respect of how we ensure that the initiatives that have been introduced bear fruit.

9.3 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): "Boom and bust" is one soundbite that we have not heard too recently—I understand that the Prime Minister has used that phrase 120 times since he has got into this position, although we do not hear it too often now—but it has come to underline some of the problems that we face. The hon. Member for North Ayrshire and Arran (Ms Clark), who has just spoken, talked about the confusion in coming to terms with the complexity of the economic downturn. We have had an awful lot of policies, but nothing new or concrete to change the way in which things are happening.

We have also had plenty of soundbites, to the point where the nation cannot keep up. We started by understanding who or what Freddie Mac and Fannie Mae were; the credit crunch was a new term; we then encountered toxic assets and quantitative easing; and even the G20 is a new phenomenon—it used to be the G7 and then the G8, but it suddenly jumped and became the G20. It is almost as if words are being created just to show that the Government are on top of the issues and know where they are going, whereas it is all a bit of a bluff and all they are is one step ahead of the public. Now the public are catching up with what has happened.

The G20 summit is an opportunity to see how other countries are dealing with the economic crisis, and who has made sure that their economy is in order in the past. The tide of prosperity is going out, some economies are not wearing any swimming trunks, and it is not a pretty sight. We are one of those countries.

I wish to focus on a specific part of the economy. Many hon. Members have spoken in general terms about what needs to be done or who is to blame. I want to look at part of the economy that is actually doing well—the British tourism industry. People may ask why I should bring that up as a subject in a general debate on the economy—*[Interruption.]* It does not have a high enough profile, and the fact that hon. Members are laughing about that shows that we need to spend more time understanding the benefits of British tourism for the economy.

Mr. Jeremy Browne (Taunton) (LD): I am extremely supportive of the tourism industry, but I caution the hon. Gentleman not to be too dismissive of the G20. There may be great value in having countries such as China and India, with their huge and growing economies, involved in the discussions in London this week, if we are trying to find solutions that will benefit people across the world.

Mr. Ellwood: The hon. Gentleman makes a valid point, but I have a suspicion that not a lot will come out of the G20. I hope that something does, but it could be just another soundbite that we will have to wait for Robert Peston to explain by the end of the week.

David Taylor (North-West Leicestershire) (Lab/Co-op): The hon. Gentleman's comment was not unlike that of the late James Callaghan when he asked rhetorically, "Why do I speak of the interests of the Royal Navy?" A voice from the back answered, "Because you're in Plymouth." The hon. Gentleman asked why he should raise the interests of the tourism industry, and of course he represents a very fine city on the south coast. That is why he raises the issue of tourism, and that is all that we were laughing at.

Mr. Ellwood: Perhaps I should have declared an interest. Ironically, British tourism is doing well because people can no longer afford to go abroad and they are looking for domestic destinations. That is why I ask Ministers to consider what we can do to enhance that situation.

The industry is the fifth largest in the UK, and I do not think that the House fully appreciates that. It is worth £114 billion a year to the economy, so it is twice the size of the IT services sector and four times the size of the agricultural sector. It has 2.6 million jobs and is responsible for one in four new jobs. It is also helping to compensate for the decline in other sectors. With 13 million visitors to the UK every year, it is a sector worth investing in.

We can all be proud of the heritage that we offer, including museums, theatres, countryside, villages, towns and sporting events. There are myriad tourism opportunities in the UK that are unique to this country. Oxford cannot be replicated in Dubai. The Tower of London cannot be reproduced elsewhere. What we have here is special, and we need to promote it. I fear that we are not doing so.

There are some basic failures in our approach to tourism. The first is the lack of leadership. Tourism is not properly represented in the House of Commons. Responsibility for tourism is divided up between various Departments. For example, the Department for Communities and Local Government deals with fire regulations for hotels and bed-and-breakfasts. The Home Office deals with visas. The Department for Culture, Media and Sport deals with a small percentage of connections with VisitBritain, and the Department for Business, Enterprise and Regulatory Reform looks after small businesses. There is no forum to bring those voices together to ensure that legislation created in

[Mr. Ellwood]

other Departments does not have a knock-on impact on the tourism industry. That is exactly what happens at the moment.

Visa costs went up about a month ago, with no consideration and no communication with the DCMS. The cost of our visas now means that we get about one fifth of the number of oriental visitors that France or Germany get. That means that we lose a lot of revenue to the Exchequer.

Let me illustrate the importance of tourism. Every pound that is spent by VisitBritain abroad brings £36 of investment into the UK. I ask hon. Members to show me another Department that has that return on an investment—paying £1 and getting £36 back. That would suggest that in these economically difficult times, particularly while exchange rates are what they are, we should be considering putting more money into our British tourism industry and, unfortunately, that is not happening.

One would think that when we are about to host one of the most important sporting events in a generation, the Olympic games, we would take advantage of that fact and harness the marketing opportunities. However, the Government are not spending a single penny on marketing to take advantage of that once-in-a-lifetime opportunity. Surely that must change.

Some other basic issues are hindering our tourism industry and preventing it from flourishing in the way that it could be. We have a confusing system of structures—an issue caused by the promotion of the regional development agencies. We have had 10 years in which England has had no strong voice to represent itself or to work with VisitScotland or VisitWales. Things are changing. The Government have woken up and recognise that the RDA system does not work for tourism. I am pleased that we are moving that way, but it has taken a decade for us to realise that.

We then have the problems to do with local council support for tourism. Councils in places such as Lincoln and the Isle of Wight are closing their tourism departments because that saves money. They invest that money in other departments, knowing that they will get financial rewards from Government, because such activity is financially incentivised. Surely that cannot be the way in which local authorities should support our tourism industry.

The tourism industry is large, as I mentioned. Some 200,000 small and medium-sized businesses are involved in the industry, including everything that one can imagine from the seafront arcades to the British pub. That is another example of where the Government could surely provide more support. We are all aware of the facts; we get all the literature from the organisations. Some 36 pubs close every week simply because of the duties and the taxation regimes that have been imposed on them, which are archaic. VAT has gone down, but duties have gone up. Will the Minister explain whether, when VAT goes back up, the duties imposed on alcohol will go back down? I suspect that the answer will be no.

Mr. Hoyle: The hon. Gentleman has made some valid points. On the pub industry, does he not also recognise that the pub companies charge so much to landlords that they put them out of business? The pub reopens, and then closes. People are investing their lifetime savings. The pub companies have a lot to answer for—does he not agree?

Mr. Ellwood: The hon. Gentleman makes a valid point. The pub industry itself must come to terms with that. I am focusing on what the Government can do that is positive.

I want to see a strengthened Tourism Minister who has the power to negotiate more firmly with other Departments. I want to see local authorities being encouraged to consider a tourism strategy in every part and every corner of the UK. I also want to see an empowered VisitEngland that can use the strength of the nine regions, rather than each of them individually representing their patch. It is wrong when places such as Boston, Massachusetts, have six different offices representing different corners of Great Britain and trying to get tourists back to the UK. That is madness and it must stop.

There are other aspects of British tourism—I could go on for a long time. I believe that we could have a debate on tourism itself, so important is it. I stress again that I do not believe that we give this subject the justice it deserves. Nor does the Treasury understand how much more money could be brought into this country, bearing in mind that £36 billion of British money is spent abroad simply because we do not really understand what is under our noses and what wonderful opportunities there are in British tourism. As I said, that is now changing, because the economy is working against people, so we should be harnessing those opportunities to ensure that tourism is one area that sees growth and that can help improve employment. We should be doing that rather than cutting the tourism budget, which is what the Government are doing. VisitBritain's budget for the coming three years has been cut by 20 per cent. That must be wrong, given how much money it could make for the Treasury.

We should step back and look at the economy as a whole. Banks were lending money that they did not have to people who could not afford it and in ways that they did not understand. The Government watched the merry-go-round go round and round, but then the music stopped and they are now looking for answers. The British people are suffering as they wait for the Government to respond.

I have yet to be impressed by any of the answers given by the Government. As I said, I shall hold my breath about the G20, but I plead with the Treasury to recognise the economic benefit of investing in our tourism industry. It is the one industry that could provide a return to the Exchequer, as more people choose domestic holidays over holidays abroad.

9.16 pm

Dr. Roberta Blackman-Woods (City of Durham) (Lab): It is always interesting to follow the hon. Member for Bournemouth, East (Mr. Ellwood). Although I do not agree with everything he said, he is right to say that we should do more to promote tourism.

In the few minutes that I have this evening, I want to consider how the economic downturn has affected the north-east. Like my right hon. Friend the Member for Stirling (Mrs. McGuire) and others, I want to drill down and look at how the economic downturn is affecting a specific area and impacting on families.

I consider the downturn to be especially tragic for the north-east, because we were just starting to experience the obvious signs of regeneration. It is very curious that the Opposition should accuse the Government of not mending the roof while the sun was shining, as many hon. Members will have experienced the impact of regeneration in their constituencies.

In Durham, we could see it happening on the ground. We have a new hospital, and new GP surgeries are coming on stream just now. A number of schools have been replaced, and there are more new schools in the pipeline. We have managed to cut NHS waiting lists massively, to the point where they are almost non-existent, and we have also improved the educational attainment of our young people.

When Labour came to power in 1997, barely 30 per cent. of young people in Durham were getting five A to C grades at GCSE. Now, we are slightly above the national average, but that change in my constituency did not happen by accident. It came about because of the investment made by this Government. It is therefore particularly tragic that we should be in an economic downturn, as I said, and my plea this evening is that the Government continue to invest in those areas for growth that have been identified in the north-east's economy, and try to turn things around sooner rather than later.

Unemployment in the north-east stands at 8.6 per cent. That is somewhat higher than the national average of 6.5 per cent. and it is very bad—but nowhere near as bad as it was in the 1980s and 1990s, when some wards in my constituency had unemployment rates of 40 per cent. That was absolutely dreadful.

I listened with some interest to the hon. Member for Tatton (Mr. Osborne) to see whether he would recognise what the previous Conservative Government had done, or put forward any policies to turn the situation around now. He did neither: all we got was a really pathetic and petty rant against the Prime Minister that I think was unworthy of the Opposition at this time of economic downturn.

The difference I note between what the present Government are doing and what the Conservative Government did is that now people are not being left on their own to manage the recession, as the Government's real help packages emphasise. We have real help for pensioners, with the delivery of a one-off £60 payment to 12 million of them and an increase in pension credit by £6 to £130 a week. We have increased tax allowances to put more money into the pockets of families and, critically, the Government have brought forward an increase in child benefit and in child tax credit. We are putting more money into the pockets of hard-pressed families, not cutting child benefit in real terms, which is what happened under the Conservatives.

We are also giving real help to businesses, which is what we need now. Not only have we cut taxes for households, but we are cutting taxes for businesses and promoting policies to get credit and lending going again. We are deferring tax payments: in the north-east, 2,910 businesses have been helped by tax deferment worth £50 million. We are also, where possible, bringing forward capital projects and putting money into social housing and the building of social housing through the Homes and Communities Agency. I am not suggesting for one minute that we have done everything that we can, and I hope that the Budget will contain more measures to support businesses, but we are helping businesses. We have also put more money into training and skills development.

Business Enterprise North East—there was nothing like it in existence during the '80s and '90s—has a website that points businesses to a range of measures to help them. Specifically in the north-east, the regional development agency has pulled together European money from JEREMIE—joint European resources for micro to medium enterprises—the European regional development fund and the European Investment Bank to create a £125 million new venture capital fund, to help business development. That is aimed at those businesses that want to develop and grow during this period.

In addition, NatWest and RBS nationally have provided £3 billion of funding for new financial services. That amounts to £250 million for the north-east to support small and medium-sized enterprises. Some of the money is still being rolled out through the economy, but it is important in this debate to recognise that, slow though it has been—painfully slow—some of our banks, particularly where the Government have a say in how they operate, are now lending.

I have been holding my own summits in Durham—three business summits across a range of sectors. Businesses say that they found the information the Government have given them very helpful, but they want some other, additional things to happen. They want local authorities to be encouraged to direct their procurement to use local companies, where that is possible. They want more venture capital and more funding for companies that want to expand. They want prompt payment by the public sector and action to be taken on business rates. I am pleased that the Government have been listening to some of the points that they have been making. What is certain is that, as we plan to come out of recession, we must not go back to the same system as before. My plea to the Government is that they support development in particular sectors in the north-east.

On green energy, there are very good companies already in place with a substantial share of the market in solar, geothermal and wind energy. A lot of the technology for carbon capture and storage was developed in the north-east, but has not been applied there. My plea is that the Government help companies that are developing that technology to be able to apply it, so that they can create jobs in future. I also want to make a plea for green cars. I ask the Government to look at Nissan's schemes to produce electric cars, and to support Nissan. I hope that they will also support the health and process sectors. Lastly, I ask the Government not to take their eye off the need to develop higher-level skills and high-value jobs. I hope that they will use our universities and colleges, so that we get more knowledge transfer into our local economies.

9.25 pm

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): I am grateful to my hon. Friend the Member for City of Durham (Dr. Blackman-Woods); it is a pleasure to follow her. In the few minutes available to me, I have a couple of quick points to make. As for the contributions from Opposition Members, it is interesting that fantastic hindsight seems to have flooded the Chamber. *[Interruption.]* The shadow Chancellor has, with extremely good timing, just come back into the Chamber.

[Mr. Robert Flello]

On Saturday morning I met representatives from Michelin. I thank Rob Taylor, one of the officers from Unite T & G, for organising the meeting. I met his colleagues from Pirelli, Goodyear and various other companies to talk about their main concern, which is the short-time working subsidy, or lack thereof. I heard extremely worrying accounts from places around the country. At best, some workers are being paid £21.50 by their employer. If that is in place of a 12-hour shift, their replacement income works out at something like £1.79 an hour. More worryingly still, a number of workers are not entitled to that because the terms have been changed, or because the terms have been exceeded. That means that many workers are having their pay packets halved. That has a huge impact on family life. Indeed, I heard of tragic, appalling cases in which workers have committed suicide because they could not deal with the situation in which they found themselves. To echo the point made by my hon. Friend the Member for Chorley (Mr. Hoyle), that is a matter that we really must address.

One word has not been mentioned in the debate—or if it has, I missed it. It is a word that many constituents use when referring to the behaviour of the banks: greed. We have not really pointed out that we are in this mess primarily because some of our banks spotted that in the United States some people were making very large amounts of money, although they did not understand how, and they wanted some of it. In they piled, and the ordinary worker, the ordinary man and woman—my constituents—are now having to pay the price for the greed of a few, who were already earning huge amounts of money but wanted that little bit more. That is a moral disgrace, and we should take whatever powers, and whatever action, we can to address that, and to get some redress for our constituents.

I want to mention briefly the impact of the recession and the credit crunch on community cohesion, an issue that has already been mentioned a couple of times. As the hon. Member for Stone (Mr. Cash)—my neighbour—has mentioned, the far right is capitalising on the situation. It is a poison or virus that is spreading across the country, and we must deal with it. We must deal with the root cause. Sorting out issues such as the short-time working subsidy is one way to do so. It needs to be addressed because some of our European neighbours have to pay a form of short-time working subsidy. Employers may say, "What shall I do? I have to pay the money anyway to this particular set of employees in another country, so I may as well have them manufacturing; I may as well give the work to them, and not to people in this country, to whom I do not have to pay any subsidy." So the issue really needs to be addressed.

As has been mentioned time and again, we must get the banks lending; that is absolutely imperative. I want to mention briefly businesses in Stoke-on-Trent. In my constituency of Stoke-on-Trent, South, there are engineering and design firms doing fantastic work. They really need support and help at this time, and a whole raft of measures need to be introduced to provide that support and help. We still have jobs in ceramics, despite what has happened to Wedgwood in my constituency. I wanted to pay a brief tribute to Kevin Farrell, who was the chief executive of the British Ceramic Confederation and sadly died on Saturday morning. My condolences go to Jackie, his widow, and to his family and friends.

Mr. Cash: Will the hon. Gentleman give way?

Mr. Flello: I am afraid I do not have time; I am sorry.

The impact on pubs has been mentioned. We need to take into account my hon. Friend the Member for Chorley's idea of bringing VAT relief to an end. We need to explore the effect that will have and to make sure that it does not have a negative impact on pubs. The duties must be addressed.

One thing I would have loved to have had time to expand upon is state-run businesses, perhaps in the environmental sector. Now might be an opportunity to look at using the state system to get up and running some environmental businesses that perhaps later we could put back into the private sector.

As has been mentioned by my hon. Friend the Member for City of Durham, we did put the roof on. I could list the countless things that we have done in Stoke-on-Trent, South, from children's centres, Sure Start centres and health centres; huge improvements have been made in and around the constituency. I would list them if I had time.

Finally, Opposition Front Benchers lamented the fact that they have been trying to get this debate for a long time. If that were the case, I would have hoped that the shadow Chancellor, who I see in his place—although the shadow shadow Chancellor is not—would have done a much better job in his speech. Quite frankly, if that is the standard with six months' notice, it is pitiful.

9.31 pm

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Oh, dear, Mr. Deputy Speaker; I was going to say that I was glad that the hon. Member for Stoke-on-Trent, South (Mr. Flello) got in to make the important point about the rise of right-wing parties on the back of this economic recession in Stoke-on-Trent—a very important issue that concerns all of us in the House—but unfortunately he rather spoiled it towards the end.

I am delighted to have the opportunity to wind up what has been an interesting and wide-ranging debate on the most immediately important issue facing Britain today. I am sorry that the Financial Secretary did not get to hear the opening speeches and I am sorry that the Chancellor is not here to hear the closing speeches. I understand that they are both heavily engaged with G20 duties, which, no doubt, could not have been anticipated when the Government set the date for this debate 36 hours before the G20 conference.

We wish the G20 well, despite what some Labour Members have said, even if, as the shadow Chancellor has pointed out, some of the Prime Minister's pre-positioning looks somewhat inept and designed with the domestic political scene in mind. An effective agreement to support trade and reject protectionism would indeed be a prize worth taking away from the summit.

I concur with the comments made by the right hon. Member for Oldham, West and Royton (Mr. Meacher) that it is a shame that the anger and fear that many of our constituents feel as they face the fall-out of the recession cannot be represented by Members here tonight in the Division Lobbies. It is typical of this Government

that we have now gone all bar a day of the first quarter of the first full year of recession without a debate on the economy in Government time, and when we do get one it is on a non-substantive motion without a vote at the end of the debate. They do not want to vote and they do not want to debate.

When we do debate the economy, my right hon. and hon. Friends one after another expose the Government's share of responsibility for the mess the world is in, their culpability for failing to prepare Britain for the challenges it now faces and the ineffectiveness of their response to those challenges. Of course we have heard from the Chancellor—I am glad he has made it back from his important meeting—and I am sure we will hear from the Financial Secretary in a moment excerpts from what might be called the authorised version of events: the "Brown as innocent bystander" version. In this fairytale, there is a land in which boom and bust has been abolished. Economic growth was strong, unemployment low, credit was cheap and plentiful; and all this was due to the genius of a great economist who had managed that nation's finances for many years.

As my hon. Friend the Member for Chichester (Mr. Tyrie) said, the citizens of that land were encouraged to follow the example of their Government, to borrow because they could afford to do so, and they were discouraged from saving. What is the point of saving when boom and bust have been abolished? Predictably, asset values boomed and the wise leader of that happy nation spent his time explaining to all his neighbours what idiots they were for not following that brilliant economic model. Then, we are told, that happy scene was rudely invaded by the credit crunch, which is an alien creature, blown in on the wind from America, the product of very bad practices by dodgy American banks.

I am glad the Chancellor is present, because I would like to tell him that everybody on the Conservative Benches has understood from the beginning, and everybody in the country understands now, that Britain's failures are part of the cause of the global problem—not its only cause, of course, but part of the cause—and Britain's problems must be solved by addressing those failures in the management and governance of our economy.

As my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) reminded us, if we do not understand the cause of our problems, we cannot avoid them in the future. Of course, collaborating with other major economies is sensible, and avoiding the slide into protectionism is essential, but the crisis that we face will not be resolved by a clampdown on tax havens and tax evaders, however desirable that may be. Notwithstanding the rather predictable suggestion from the right hon. Member for Holborn and St. Pancras (Frank Dobson) that tax havens, greedy bankers and speculators are entirely responsible for our problems, there are no such easy scapegoats that avoid the need to address the fundamental imbalances and the excessive leverage that now have to be corrected in the British economy.

Frank Dobson: I never said that at all. I blamed the banks.

Mr. Hammond: I think the right hon. Gentleman will find that the record will show that he gave responsibility in equal measure to greedy bankers, speculators and tax havens, but perhaps we can have a discussion tomorrow when the *Official Report* is published.

Those were imbalances that the Prime Minister not only allowed to occur but, as my hon. Friend the Member for Sevenoaks (Mr. Fallon) reminded us, actively encouraged to generate the illusion of a sustained boom, an illusion that has turned to the reality of a bust, with all the pain and hardship of unemployment, business failure and repossession, which we have heard about this evening. The Prime Minister's posturing on the international stage is designed to reinforce the official message that this is not a British problem, to try to underscore his pointing of the finger at everybody but himself.

Let me remind the House that this is the man who controlled single-handedly the management of British economic policy for the past 12 years, not an idle bystander, not even really able to hide behind collective responsibility—plenty of his colleagues are only too willing to tell us in private conversations that he does not do collective—but an active micro-manager of the British economy and happy enough, as I recall it, to take credit for just that role when things were going well.

It was the Prime Minister who stripped the Bank of England of its responsibility for levels of debt in the economy as a whole. It was he who implemented the disastrous tripartite regime that failed so spectacularly to spot the absurd risks that British banks were taking. It was he who abandoned genuine fiscal prudence—Conservative fiscal prudence—at the turn of the millennium and replaced it with a bogus set of fiscal rules that have proved utterly worthless, because they did not stop him running up the huge and unsustainable pro-cyclical deficits that my hon. Friend the Member for Chichester referred to.

It was the Prime Minister who presided over an economy running on empty, living on tick, with both Government and households supporting their spending habit with cheap, easy credit, the whole precarious edifice balanced on the myth of inflated asset values, the origins of which my hon. Friend the Member for West Suffolk (Mr. Spring) touched on in his contribution. As my right hon. Friend the Member for Hitchin and Harpenden reminded us, it was also the Prime Minister who secured the knighting of Fred Goodwin for services to banking and of Alan Greenspan for services to financial stability.

When the crunch came, and the inevitable reassessment of risk occurred across the world while lending criteria suddenly tightened sharply, the Prime Minister's model fell apart. The emperor, whose claim to the throne was exclusively to have managed the British economy competently and successfully for a decade, was naked. Every action that he has taken since—every initiative, every announcement—has been designed to cover that nakedness and conceal the truth.

But the British people have seen through the Prime Minister; they know that Britain is not, as he claims, best positioned to weather the storm of recession. On the contrary, report after report shows that Britain's economy is facing a longer recession than any other major economy, and that our recession will be deeper than most. The people also know, ahead of the G20, that whatever else stronger global institutions might do, they would not have prevented the policy mistakes that the Prime Minister made here in Britain. There is no point in his calling for a stronger IMF to act as global

[Mr. Philip Hammond]

policeman when he consistently ignored the IMF's warnings about Britain's fiscal position and housing market bubble—in 2003, 2005, twice in 2006 and again in early 2007.

The people are now seeing the downside of the chronic imbalance in the structure of the UK economy as a result of years of uncritical Government focus on financial services to the exclusion of almost every other sector, including tourism, as my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) reminded us. That has left the UK economy desperately exposed to the icy winds of this global slowdown.

What the country needs, as the traumatic effects of deleveraging work their way through the economy, is leadership. I am thinking of leadership with a focus on the medium and long-term solutions that will sustain Britain's recovery and leadership with the strength of character to refrain from short-term posturing that denies the reality of the situation. The country needs a clear framework for the introduction of proper fiscal discipline in the upturn and a vision for a more resilient, more diversified economy that will be less vulnerable in future. It needs a plan for financial stability that will recognise and reverse the disastrous mistakes of the 1997 tripartite settlement and recession-fighting strategies that will enhance rather than undermine the economic recovery when it comes. Above all, the country needs a willingness to recognise the mistakes that have been made and to abandon the policies that have failed. In short, it needs a readiness to apologise and move on.

However, we have a Prime Minister resolutely focused neither on the long-term economic interests of the nation nor even on the short-term political interests of the Labour party—which would almost certainly imply his immediate resignation from office—but on his own short-term political interests. His response to the economic crisis has been to focus on creating the illusion of an activist Government. There has been a whirl of summits, appointments—some of which have been more successful than others, it appears—foreign trips and half-baked schemes. Every other day of the week there are yet more announcements of brilliant initiatives to resolve the crisis and bring relief to the nation. However, as my hon. Friend the shadow Chancellor spelled out, half the time they do not deliver the help that the attendant press releases promised.

The end result of all that frenetic activity is the exact opposite of what is required. It has not delivered the reassurance that restores consumer and business confidence, but it has given a credible impression of a headless chicken. The stamp duty holiday was followed by an acceleration in the fall of house prices. Last October's bank bail-out was supposed to get lending moving to businesses and households, but, as the right hon. Member for Oldham, West and Royton told us, it is not delivering. At a time of massive discounting, the VAT fiscal stimulus cut prices by 2.5 per cent. to little effect across the retail sector. That fiscal stimulus stimulated no one and has been universally derided at home and abroad; tonight, the hon. Member for Chorley (Mr. Hoyle) demanded its abolition. That stimulus has added £2.5 billion to our ballooning national debt: a burden on future generations as a result of this Government's policy failures.

The Prime Minister must shoulder his share of the blame for the global crisis and take responsibility for the failure to prepare Britain for the recession that it is now enduring and for his recklessness with the public finances. He must be accountable for the ineffectiveness of the responses to the recession, which have failed to address the real challenge of getting credit flowing in the economy again and reconnecting real interest rates to official rates, which my hon. Friend the Member for Stratford-on-Avon (Mr. Maples) identified as being at the root of the problem. Crucially, the Prime Minister must be held to account for his failure to recognise his own failure. He still will not acknowledge the fatal flaws in his tripartite regulatory system; the weakness of his fiscal rules; the recklessness of his public borrowing; the terrible error of his claim to have abolished boom and bust, which has led to so much reckless behaviour both public and private; or the mistaken focus on fiscal stimulus when the problems lie in the supply of credit.

The Prime Minister has built his reputation on a model of economic growth based on unsustainable external deficits, unsustainable fiscal deficits and unsustainable household debt, which has brought us to the catastrophe we face today. That reputation is now destroyed, at home and abroad. Yet he tells us, in his own words, that he has "nothing to apologise for". This country remains a democracy, so if that is his position, let him put it to the test of public opinion. Let him fight a general election under the slogan, "Nothing to apologise for". Let the people speak, and "Nothing to apologise for" will become his political epitaph.

9.46 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): I apologise to you, Mr. Speaker, and to the House, as I was detained outside the House at the start of the debate for the reasons that the hon. Member for Runnymede and Weybridge (Mr. Hammond) acknowledged.

We have had a wide-ranging and interesting debate. It is clear that Members disagree across the Chamber. The Government's approach is to support the economy through the difficulties and to tackle the downturn on an international track and on a domestic track. As we have heard, the international track will culminate in the meeting of G20 leaders later this week. The leaders of the world's biggest economies will meet in the London borough of Newham—which they may not have visited before, but to which they will return for the Olympic games in 2012. At the heart of the recession in this country are worldwide problems that need to be addressed through worldwide co-operation. The Prime Minister and the Chancellor have therefore been leading worldwide discussions on how best to co-ordinate action to tackle the global credit crunch. The G20 Finance Ministers and central bank governors made progress in Horsham on 14 March; we want the leaders to go further still on Thursday.

Alongside the international track, we have been taking decisive action on the domestic track, bringing real help now to families and to businesses. Our response has had four steps: step one, last October, was to save the banking system from collapse; step two was to deliver a stimulus to the economy, which we did before Christmas in the pre-Budget report; step three was to take action in January to support bank lending, with further details

and agreements set out earlier this month; and step four, in the Budget ahead, will be to prepare to make the most of the upturn when it comes.

Mr. Fallon: A few hours ago the Chancellor was asked what had happened to the working capital scheme and why it had not been put into effect by the end of March, which is today, as promised. Can the Minister tell us why?

Mr. Timms: It will be in place next month.

We listened with interest—as always, of course—to what the hon. Member for Runnymede and Weybridge had to say, and we understood from his speech that he disagrees with the Government. What many people are puzzled about, though, is why the Conservatives have so little to offer in this crisis—a point made very powerfully by my right hon. Friend the Member for Oldham, West and Royton (Mr. Meacher). Why have they so failed, over a period, to set out some vision for the future—a credible response to the unprecedented economic challenges that we face?

One reason is simple: recent events have destroyed a linchpin of Tory ideology, and the Tories have not yet found anything to put in its place. The Tory party is ideologically wedded to deregulation. When we legislated for the Financial Services Authority 10 years ago, the then shadow Chief Secretary to the Treasury said:

"we believe that regulation should be minimal"

and that one of their concerns about the Bill was

"the danger of over-regulation."—[*Official Report*, 28 June 1999; Vol. 334, c. 42-44.]

The Tory critique was that the FSA was an example of over-regulation.

Mr. Tyrie *rose—*

Mr. Timms: I would be delighted to give way to the hon. Gentleman, who led the charge at the time.

Mr. Tyrie: If that was the Conservative policy, it certainly had the full support of the then Chancellor of the Exchequer, now the Prime Minister, who said to the CBI:

"I want to work with you so that over time we apply the concept of risk…to the decision as to whether to regulate at all."

In 2004, he said

"I want us to do even more to encourage the risk takers."

In 2006, he said to the CBI that we need

"stability through a…light-touch regulatory environment."

Where was the Prime Minister during this period when you were opposing these policies?

Mr. Speaker: Order. It is not for me to oppose policies, and the hon. Gentleman should not refer to me.

Mr. Timms: I am delighted that the hon. Gentleman gives me the opportunity to trade quotes across the Dispatch Box. Let me read something he said during the Committee on that legislation, where I was the Minister. He said:

"If the FSA gets into the business of regulating risk, it is perilously close to substituting for the fundamental job of the industry itself."—[*Official Report, Standing Committee A*, 15 July 1999.]

He was not arguing that somebody else should do the regulation; he was arguing that nobody should do it. The hon. Members for Sevenoaks (Mr. Fallon) and for West Suffolk (Mr. Spring) claimed that the Government had pressed for light-touch regulation when the FSA was introduced, but their party was pressing for lighter-touch regulation. That was their whole approach, and it has been the consistent Tory theme.

Mr. Cash: Will the Financial Secretary give way?

Mr. Timms: I am not going to give way at the moment.

Just 18 months ago, the Tory economic competitiveness policy group produced a 200 page report, "Freeing Britain to compete". Its attitude to financial services regulation is interesting, and it is well summed-up in section 6.1, "Do We Need All This Regulation?":

"Government claims that this regulation is all necessary. They seem to believe that without it banks could steal our money".

Well indeed, Mr Speaker. At the Tory party conference, the shadow Chancellor hailed the prescription in this report, to "cut government regulation" in order to "liberate our economy"—and, let us remember, this was after the collapse of Northern Rock. They were still saying that we should scrap regulation.

The same report included the now notorious call for the abolition of mortgage regulation. I say to my hon. Friends that that report is still on the Tory party website and it repays study. If we had gone down that road—as the Opposition have consistently urged over the past 12 years—things would be a great deal worse than they are today. The mortgage code of business rules that we introduced with mortgage regulation prevented the deep discounting of mortgage charges that have been so damaging in the US. If regulation had been abolished, there would have been no such rules.

With that cornerstone of the Tories' ideology turned to dust by the events of the past two years, and with nothing to put in its place, they have nothing substantial to offer in this debate. Financial services regulation does not need to be cut, it needs to be strengthened. Nobody will dissent from that at the G20 on Thursday. The US Treasury Secretary said, in an interview in the *Financial Times* today, that the United States is ambitious for regulatory change. Tory party ideology has been found wanting. There has been no sign at all in this debate of anything to put in its place.

The hon. Member for Twickenham (Dr. Cable) asked where we stand on the asset protection scheme and the code of conduct for banks. My right hon. Friend the Chancellor has called for a voluntary code of practice for the whole banking sector in relation to tax avoidance, to ensure that it abides by the spirit as well as the letter of the law. We are talking to the sector about that ahead of the Budget and will announce further details then.

The hon. Gentleman asked why tax avoidance should be dealt with by the G20. I suggest he examine the remarkable series of announcements made leading up to the G20, culminating in the announcement by the Swiss Government that they would abandon decades of commitment to very strong banking secrecy. That announcement was made the day before the G20 Finance Ministers met, which shows clearly why it is right to deal with that issue at the G20 and welcome the progress there has been.

[Mr. Timms]

A number of Members mentioned the G20, including my right hon. Friends the Members for Airdrie and Shotts (John Reid) and for Holborn and St. Pancras (Frank Dobson) and my hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt). I can tell the House that there has been very strong support in the other 19 countries for UK leadership at the G20 and very strong personal support for the Prime Minister's leadership. Our goal is for leaders to agree immediate action to stimulate the world economy, substantial additional resources for the IMF, support for trade finance, action to protect the poorest around the world, measures to encourage credit to flow to people and businesses, firmer financial sector regulation to rebuild confidence now and prevent crises in future, and commitment to a green recovery.

John Reid: At the risk of being tedious, I hope that my right hon. Friend will add to the objectives the strengthening of transparency. How can we regulate that which we cannot discern? How can we supervise—literally, oversee—that which we cannot see? Unless we strengthen sections 14 and 15 of the communiqué, all the regulatory forums and structures in the world will not be able to operate because they will not have the necessary information from a neutral source. Will he give me a guarantee that the G20 will push on that front?

Mr. Timms: I can certainly assure my right hon. Friend that the need for transparency has been well understood in the working groups that we have set up in preparing for the G20 summit. Indeed, that is one reason why dealing with tax havens is so important. One problem has been that things have been hidden away in tax havens and there has not been any transparency. People have not known the true value of some of the things that have been going on, and that has contributed to the problems that we now see. I agree about the importance of transparency in financial services, which needs to be reflected in the regulatory system.

I agree with those who warn against seeing the summit as a panacea that will fix all the world's problems at a stroke, but it can start an era of closer co-operation between nations so that our political structures better reflect our increasingly globalised world. It is a huge opportunity for the first steps towards a global new deal to secure recovery and long-term stability and growth.

Last February, we moved to nationalise Northern Rock. In October we prevented the collapse of the banking system with further investments in UK banks, protecting people's savings and stabilising the system so that banks could function. Following our lead, other countries around the world took similar action, recognising that financial system collapse would be devastating. Now the Government are working with the banks to clean up their balance sheets. That is the importance of the asset protection scheme, and I am grateful to those who acknowledged that.

As my hon. Friend the Member for Northampton, North (Ms Keeble) reminded the House, we have reached legally binding agreements with the banks that have received public support, to secure additional lending to British households and businesses over the next two years. I look forward to answering the questions that she asked me about reporting. Every major country in the world recognises that it is right to use the power of government to support countries' economies through difficult times.

I do not agree with the right hon. Member for North-West Hampshire (Sir George Young) about the VAT cut, which is doing the job it was introduced to do. I point him to the comments of, for example, the Institute for Fiscal Studies and the National Institute of Economic and Social Research, which described it as an increasingly effective stimulus. I also refer him to the comments of the Bank of England in its inflation report in February and to the report from Goldman Sachs, which makes the same point.

We have made investment—£3 billion—in the national infrastructure. That spending is beneficial not only to the economy, supporting businesses and jobs at a critical time—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Business without Debate

BUSINESS OF THE HOUSE

Motion made,

That, at the sitting on Tuesday 21 April, notwithstanding Standing Order No. 20 (Time for taking private business) the Private Business set down by the Chairman of Ways and Means shall be entered upon (whether before, at or after 7.00 pm), and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business.—*(Helen Jones.)*

Hon. Members: Object.

PETITION

Schools (Essex)

10 pm

Bob Russell (Colchester) (LD): On Monday 19 May 2008, the Secretary of State for Children, Schools and Families, in response to a question from me about the future of the Thomas Lord Audley and Alderman Blaxill schools in my constituency, told the House:

"Essex county council has explained that its preferred approach is to build on the existing partnership with Stanway school and to pursue a trust. We will support the council in its decision".—[*Official Report*, 19 May 2008; Vol. 476, c. 3.]

It transpired that Essex county council had wilfully misled the Secretary of State and the schools Minister, whom I met the next day. It had assured both Ministers that the intention was that the Alderman Blaxill and Thomas Lord Audley schools would continue. Today, Essex county council broke its pledge, which the Secretary of State recorded and the schools Minister confirmed, by agreeing to shut the two schools.

The petition, in the name of Councillor Lyn Barton, is also signed by 492 other residents, predominantly from the Berechurch ward, but also from other parts of Colchester, including Old Heath.

The petition states:

The Petition of various pupils and former pupils, parents, residents and others,

Declares that Thomas Lord Audley School has a special place in the life of the Berechurch ward community in accordance with the Government's policies towards promoting sustainable communities;

further declares the petitioners' opposition to proposals by Essex County Council which would result in the closure of the school and the bussing of pupils to a school some distance away at considerable financial cost to the parents.

The Petitioners therefore request that the House of Commons call on the Government to stop Essex County Council from closing Thomas Lord Audley School; to ensure that all necessary support, financial and otherwise, is given to enable the school to improve its performance and to continue to be an integral part of the community in the years ahead; and to implement "Option 4"—

that is fully in accordance with the wishes of Colchester borough council—

for secondary school provision in Colchester which would include Thomas Lord Audley School operating in partnership with Alderman Blaxill School and the Stanway School.

And the Petitioners remain, etc.

[P000342]

UK Aid (DRC)

Motion made, and Question proposed, That this House do now adjourn.—(*Helen Jones.*)

10.3 pm

Mr. Eric Joyce (Falkirk) (Lab): When it comes to mobilising enormous resources and making huge interventions that have the power to change the world, nothing compares with the power of government. This week's G20, led by our Prime Minister, will seek to do exactly that, following on from the Gleneagles summit and other major initiatives.

Of course, Governments lead by consent and, in general, they must reflect the priorities of the people. Although the people of the UK can be astonishingly generous, it is also a harsh reality that international aid and development rarely sit atop people's list of priorities, especially in these difficult times. Moreover, there is great competition for people's attention with regard to international development, and there is sometimes a risk that if Governments attempt to highlight too many problem spots in the world, people can suffer a sort of fatigue on the subject.

That is why the ability of some people and organisations, such as the Make Poverty History campaign, to influence and mobilise public opinion is crucial to giving Governments more power to their elbow to help the least well-off in the world. It is also possible for highly motivated people, sometimes with bags of media savvy, to make a targeted intervention aimed at changing the lives of many for the better.

In the case of the Democratic Republic of the Congo, I would like to mention an initiative that has the power to alter the lives of millions of women in one of the hardest places—perhaps it is the hardest place—in the world to live as a woman: the eastern DRC. In my view—I am not the most qualified to say this, but I have been out a few times—the best prism through which to view life in the eastern Congo is that of the experience of women who potentially face unspeakable sexual violence every day.

When somebody goes out to the Congo, as I and members of the all-party group on the great lakes region and genocide prevention have, they are struck by the many great efforts of the non-governmental organisations in the region and by how enormously challenging a task they face. The Congo has a population roughly the same size as the UK's, and it is roughly the size of western Europe. It is covered in tropical rainforest and it is a difficult country from a communications perspective.

The Government in Kinshasa were democratically elected through a great triumph of organisation, both by the Congolese and the international community, which made a great effort and contributed lots of cash. However, when visiting, one is struck by the fact that the Congo has a sophisticated body politic in Kinshasa, but an area of utter lawlessness in the eastern Congo. Many hon. Members from all parts of the House are familiar with the things that have taken place there, even in recent years—not just in the past 10 years, but in the past year or so, most recently with the CNDP getting the Congo on television by having, in effect, a kind of civil war. That is now being sorted in diplomatic terms, although Bosco Ntaganda, the man who now runs the CNDP, has been indicted by the International Criminal Court as an alleged war criminal. That will have to be dealt with in due course.

[Mr. Eric Joyce]

That is the politics of the matter. The reality on the ground is absolutely stunning, albeit in a very bad way. The first time I went to the Congo some years ago with a former Member of the House and good friend, Oona King, we were taken to a health centre where we were told that we would visit a ward. I was expecting a new build, Tesco-type thing, funded by a number of NGOs. What we came across was a kind of hut. The clinic comprised one room with a fridge, which had nothing in it because there was no power, and another room, which was an operating theatre and had some basic utensils—shiny instruments, sharp implements and things for holding hot water—that had been donated by NGOs.

There was a ward, and in the ward was a woman, apparently waiting to give birth to a child. The child, we were told, would be a breech birth—it was in the wrong place. A number of other hon. Members were with me at the time, but there it is: a mother was sitting there. It was one of those branding experiences that has not left me. We asked how long the birth would be and the nurse—a man who had had some rudimentary training—said, "It be may be tomorrow morning. She might last until the next morning." We said, "What do you mean 'She might last'?" and he said, "Well, she's going to die. There's nothing I can do about a breech birth. I've got the skills taught in some basic courses, but I don't know what to do about a breech birth. The nearest doctor is 2 miles away." Two miles in the Congo, through tropical rainforests and with all the logistics problems, which as my hon. Friend will know—possibly he is my right hon. Friend—

The Minister of State, Department for International Development (Mr. Gareth Thomas) *indicated dissent.*

Mr. Joyce: Well, in due course. My hon. Friend will know that 2 miles in the Congo can be a long, long way.

In a way, we did that classic thing that politicians do. Arriving on the scene in lovely long-wheelbase Land Rovers, we had the potential to change the situation, but we had to make a judgment. In due course we made the judgment that other people in our circumstances would have made, which was that we should move the woman, but that would have disturbed many aspects of how local people were being treated with those limited resources. The point was that that woman expecting a breech birth could have been quite readily dealt with here in the UK, but she was simply going to die, because there was nothing that could be done for her there. As it was, she did not die, but many other women in her situation would have done.

What I want to talk about this evening, if I can, in the minutes left—a fairly generous number are left, actually, so I will wax slightly rhapsodic—is violence. I go about my constituency occasionally with the cops on a Friday or Saturday night. We see a bit of violence in the streets and recognise where it comes from, what is happening and who the bad guys are—who has been caught up in things because they have drunk too much and so on. All the incidents involve men, and the violence is mainly between them. I am also aware, as are all Members of this House, that behind the scenes in people's homes, violence is being inflicted against women. There is a fabulous women's aid organisation in Scotland, as indeed there is fabulous women's aid provision across the UK. Such violence is a more hidden thing. In a privileged position and with a certain lifestyle, as it were, I do not see anything of it, but many people do. It is a hidden thing, but it exists.

It occurs to me—psychoanalytically, I [illegible] miles off on this—that when I go and talk to young men in the Congo who have been involved in astonishing acts of violence against women there, they show traits similar to those of the young men involved in the much lower-level stuff going on in my own constituency. In such an area, however, there is a kind of civilising influence and a series of constraints in the law—there is a legal system and the cops are going about. All sorts of things are civilising influences, such as families, including extended families and so forth. Such an influence is brought to bear on many people—it does not apply to everyone—who get involved in violence, particularly violence against women early in their lives. They can change their ways, but some people do not and such behaviour continues throughout their lives.

When we look at the Congo, what we kind of see, in a bad way, is a Platonic ideal of violence against women. It is completely unmitigated by any mediating institution or mediating experience, and it can be the most brutal thing imaginable on the planet. When we look at the Congo in context, as DFID has to do, it is with the realisation that all sorts of countries in the world need our help and could do with our assistance—the collective assistance of the international community. The best way to look at the situation, however, is through this very easily understandable link between the kind of violence exerted against women in our constituencies at a certain level, and the astonishing dehumanising violence exerted against women in the Congo.

I have just read the complete works—they are not a big bunch; there are about 10 books—of Cormac McCarthy, a great writer. It is boysy stuff; there is a bit of violence and a bit of lovely stuff. He is a fantastic writer, as I have said. There is a scene in "Blood Meridian", which is an especially boysy book—a bit cowboy-ish, if I can put it that way. This scene occurred to me as I was preparing for tonight's debate. A young boy called "the kid" is being recruited into a kind of militia. It does not have any legal status or legal authority. It is a militia formed of a brutal bunch of guys who go about in 1849 taking what they want and what they can. They have got enough power and enough resource; in a way, they are beggars in the land, but they are quite heavily armed.

At one point, the kid is asked by the recruiting sergeant of the militia if he would like to join it. The kid says, "What do they give you?", and the recruiting sergeant says, "Every man gets a horse and his ammunition. I reckon we might find ye some clothes in a case." The kid says, "I ain't got no rifle" and the recruiting sergeant says, "We'll find ye one". The kid says, "What about wages?" and the recruiting sergeant says, "Hellfire, son. You won't need no wages. You get to keep everything you can raise." Essentially, he is saying, "If you've got a horse, some kit and a weapon, you'll be fine; you can take whatever you want from anyone."

That is an almost exact parallel with the situation for young men in parts of the eastern Congo today. Viewed as a human experience for young men—this is certainly not to sanitise the kinds of things that some of them get

up to—that is a useful way, to say the least, to understand the way things are for them and for the victims, with the lack of any kind of justice or legal system in the eastern Congo. Before moving on to issues such as health or education, we should start by trying to establish a coherent justice system. Lord Mance, who is a member of the all-party group and an Appeal Court judge, has compiled a fantastic report of which the Government have taken note. I hope it will play a part in helping to create an effective justice system in the Congo in the coming years.

It also behoves us to look carefully at what articulate and able individuals in the UK can do to give the Government more power in saying, "Look, we want to spend extra cash on these difficult places." As I said at the beginning of my wee speech, the reality nowadays is that if we say we want to spend an extra £100 million on the Congo, people will often say, "Hang on, but all these people in our country have just lost their jobs and charity begins at home." People are decent, but they very often look after their own first, and we can all understand that.

There is an initiative at present that extends from an initiative my hon. Friend the Minister will have heard about. It is called V-Day and it essentially comes out of Eve Ensler's "The Vagina Monologues", which is played all over the world to great effect, including in the Congo. V-Day is focusing on the Congo for the next five years, which is a significant period for such an important campaign that operates all over the world. V-Day is headed in the US by Jane Fonda, and in the UK Lynn Franks and Gail Rebuck are leading lights, and Tamsin Larby organises many of its activities. They currently have a campaign that is designed to enhance the facilities of Panzi hospital in Bukavu. The hopsital is led by Dr. Denis Mukwege, as my hon. Friend the Minister knows. Many of us have met Dr. Mukwege, an inspiring character who travelled around the US recently raising cash for the "City of joy" project. The campaign is essentially aimed at both the treatment of the women who find their way to the hospital and other places like it, and also their rehabilitation. It is entirely focused on the gender issue because that offers the best political perspective, and it is where the greatest need is.

Once a justice system and the rule of law is established, or progress is made towards that, the next thing to deal with is health. In terms of women who are the victims of violence in the Congo, all these strands come together, because until we start to deal with the way in which men instinctually behave towards women—because they can and they are not subject to the educational learning influences that we in the west are—we will essentially get nowhere.

In asking my hon. Friend to say what he can about these matters, I want to conclude with three quick points. There is a great demand for all public resources throughout the world at present. A lot of stuff is going on, and a lot is taking place in the Congo involving many different NGOs. There seems to be scope to harmonise some of the efforts, as there is some duplication of effort by Governments, NGOs and so forth, and NGOs are open to that argument. It is also worth mentioning Lord Mance's important report on justice and the rule of law in the Congo. It is very well written, and it is a profoundly important document. Most important of all is the campaign by V-Day UK to help the City of Joy project. It is going to raise $1 million or £1 million—I am not sure which. It will be helped by UNICEF. I have visited the site and I know that the Department for International Development has contributed to it. Can my hon. Friend say that it will keep a close watch on the project in the coming months? There are many other things going on in the world and in the Congo, but it is a profoundly important project where we will actually see results. DFID is a great force for good in the Congo, and I believe that V-Day UK is also a great source of inspiration and a great force for good in the Congo.

10.19 pm

The Minister of State, Department for International Development (Mr. Gareth Thomas): May I, in the usual way, congratulate my hon. Friend the Member for Falkirk (Mr. Joyce) on securing this debate and on the way in which he has made his case? I join him in praising the huge contribution made by the non-governmental organisations and development professionals who operate in the Democratic Republic of the Congo—they are a force for good. I also join him in praising the contribution of Women's Aid and the many other organisations across the UK that do so much to champion efforts to prevent and reduce domestic violence in the UK.

My hon. Friend described the challenges facing the Government and people of the DRC extremely well. He discussed not only the challenges in terms of infrastructure, but the legacy of the conflict and the fragility of the political situation in the eastern DRC. I also join him in praising the work of V-Day UK, and I reassure him that we will certainly keep a close eye on the City of Joy project. I shall bring his specific request in respect of that project to the attention of the Under-Secretary of State for International Development, my hon. Friend the Member for Bury, South (Mr. Lewis), who leads on Africa and, therefore, on the DRC work.

My hon. Friend the Member for Falkirk has been a consistent campaigner for providing more help to the DRC, and as chair of the all-party group on the great lakes region and genocide prevention he helps to keep these issues in the view of not only the Government but the general population in the UK. He rightly alluded to the fact that that is hugely important in helping people to understand that we have not only a fundamental duty to our own citizens, but, given our comparative wealth internationally, a responsibility to the world's poorest.

My hon. Friend focused in particular on violence in the eastern DRC and on gender-based violence. I shall certainly try to respond to those points, but may I try to put the UK's response to the situation in the DRC in a broader context? That country faces the immense challenges of chronic poverty and conflict, and now, as he rightly said, the global economic crisis. Every single day nearly 100 Congolese mothers die in childbirth because they are unable to afford medical help—he rightly reminded us of that from the experience of one of his earlier visits. In total, Congolese mothers and fathers watch one in five of their children die before their fifth birthday due to lack of health care and clean water.

As my hon. Friend knows only too well, the DRC is also a country of immense potential. It is home to vast mineral wealth, which could make it one of the most prosperous countries in Africa. We are committed to

[Mr. Gareth Thomas]

helping the DRC on the road to a prosperous and peaceful future. The UK is one of the largest bilateral donors to the DRC, providing about £80 million in aid this year, and we plan to increase our support—to £100 million next year and to £130 million the year after. We will certainly use our financial influence and our expertise from other countries to try to bring together more effectively still the work of NGOs and other donors, as he rightly requests.

The UK's commitment to the DRC is having an impact. As my hon. Friend will know, in 2008 almost 1 million more people in the DRC got access to clean water. We are helping to begin the introduction of free health care provision in some 20 health zones in the DRC. Potentially, that will benefit about 2 million people living in those areas, both by removing the need to pay health user fees and by providing further access to health clinics. The risk of malaria for more than 6 million men, women and children in the DRC has been substantially reduced through the purchase and distribution of more than 3 million treated anti-malarial bed nets. We are also empowering nearly 2 million people in 1,400 villages to take control of their own development. We are helping local communities to decide their own development priorities and to implement projects to meet those.

My hon. Friend mentioned the global economic slowdown and there is a real risk that the gains in development—which are significant, although there is much more to do—could be reversed. This year has already seen the currency significantly weaken against the dollar, foreign exchange reserves drop to very low levels, and mining companies close across the country resulting in an estimated 300,000 miners losing their jobs.

The IMF and the World Bank have approved emergency funding that will help to ease the economic pressures in the short term, and we will use the G20 summit to stress the importance of maintaining aid flows to countries such as the DRC, so that long-term investment in health and education continues.

My hon. Friend rightly highlighted the terrible problem of sexual violence. We seek to focus our support for tackling that issue on two areas. First, we are helping the victims of sexual violence through medical treatment and psychosocial counselling. DFID is helping to finance a comprehensive health package in the eastern DRC that will enable greater access to health care for all, including victims of sexual violence. The health component of the humanitarian action plan, created by donors to respond to the situation in the DRC, has ensured that more than 14,000 victims of sexual or gender-based violence were treated in 2008. Some 12,000 women received psychosocial counselling to which DFID contributed financial support.

Secondly, we want to prevent sexual violence from happening in the first place. That is why we are supporting integrated brigades to bring together people from different ethnic groups to reduce the likelihood of human rights abuses occurring. We are funding specialist training for the judicial police and magistrates and improving the police's ability to investigate cases of sexual violence.

My hon. Friend is right about the importance of putting in place the beginnings of effective law and order systems in the eastern DRC. We are also supporting awareness-raising and sensitisation work with local communities. For example, we have supported awareness-raising work led by the Minister for Gender, Family and Children, who recently launched a media campaign against sexual violence, including the provision of a professional helpline for victims. We continue to lobby the Congolese authorities at the highest levels, including President Kabila, to stress the urgent need to tackle sexual violence.

We are also watching closely the threat of renewed conflict, which still bedevils the DRC, given the fragility of the political situation in the east. The joint DRC-Rwandan military operations to tackle the FDLR in February have provided hope that the years of conflict in the east may now be in the past. But the situation is still fragile and unpredictable. The potential remains for further violence following recent reprisals by the FDLR militia group. The humanitarian situation remains serious with more than 850,000 internally displaced people in North Kivu alone.

Ensuring a smooth army integration process will be critical in ensuring a permanent peace in eastern DRC. The accelerated integration of the CNDP into the Congolese army is more or less complete but it is by no means irreversible. MONUC, the United Nations mission in the DRC, will continue to play an important part in supporting the progress that has been made. The commitment of Egypt, Bangladesh and Guatemala to make extra troops available to MONUC is therefore hugely important. We hope to see them deployed in the east as soon as possible.

My hon. Friend has done the House a great service by raising, once again, the issue of further support to the DRC and the particular horror of the sexual and gender-based violence that bedevils the eastern part of the DRC, in particular. My hon. Friend asked the Government to continue to focus on those issues and I assure him that we shall certainly do so. The Under-Secretary, my hon. Friend the Member for Bury, South, is planning to visit the region later this month and to assess the situation for himself. I will draw the comments made by my hon. Friend the Member for Falkirk to his attention. I hope that my hon. Friend will be reassured that the Government continue to focus on the concerns with which the House is now more familiar as a result of his securing the debate.

Question put and agreed to.

10.30 pm

House adjourned.

House of Commons

Wednesday 1 April 2009

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DUCHY OF LANCASTER

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster was asked—

Charities

1. **Mr. David Jones** (Clwyd, West) (Con): What assessment the Charity Commission has made of the effect of the economic downturn on charities. [267958]

The Parliamentary Secretary, Cabinet Office (Kevin Brennan): The Charity Commission recently published its second economic survey of charities, which showed that just over half of the charities surveyed are feeling the impact of the downturn. While 30 per cent. of those surveyed have seen their incomes decrease, 32 per cent. say that they have already taken steps to combat the impact of the downturn. The full results of the survey are available in the Library of the House.

Mr. Jones: As the Minister has indicated, the economic survey revealed that charities were feeling the impact of the downturn, but 20 per cent. of them reported that they were experiencing increasing demand for the services that they offer. Given the increasing importance of the third sector in delivering what are often core services, can he say what the Government are doing to help ensure that those services are maintained in the downturn?

Kevin Brennan: I am grateful to the hon. Gentleman for that question. Although the survey showed that 5 per cent. of charities reported that they had had to cut services or were holding off new services as a result of the downturn, only 2 per cent. reported that they had had to reduce staff during the recession. We have introduced our "Real Help Now" recession action plan to meet the demands of organisations in the third sector, as they have made it clear that they are worried about the increase in demand at a time when it is possible that their income will fall. The package includes a modernisation fund to help charities meet the challenges of the recession and a fund to help charities in the front line that are working in the most deprived areas, as well as schemes to increase social enterprise and volunteering.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Although the recession is having an impact on potential funding streams for charities, does my hon. Friend agree that they may also be affected by a rise in the demands made on them by people who become unemployed? Another effect of the recession may be that people leaving jobs might want to contribute their skills to the charitable sector. It is most important that the sector is geared up to maximise the benefit and the potential that it can deliver to both groups. Will he say what is being done about that?

Kevin Brennan: As part of our recession action plan, we have made available, together with the Department for Work and Pensions, up to £10 million to broker volunteering opportunities for people who become redundant during the recession. That will enable them to learn new skills and offer some of the skills that they have already to the charitable sector. That is extremely important, as is the fact that charities must consider how best to modernise themselves as they respond to the downturn. That is why, at their request, we introduced the £16.5 million modernisation fund that will help them to work together more closely, for instance by occasionally sharing back-office functions or possibly, where appropriate, merging operations.

John Howell (Henley) (Con): The Prime Minister promised in his Romanes lecture in Oxford that science would somehow be exempt from the recession's effects. Can the Minister say how that is likely to play out for charities that provide scientific research?

Kevin Brennan: I am sure that the hon. Gentleman is one of those hon. Members—they come from all parties—who agree that charities make a huge contribution to scientific research in this country. The Government have been extremely progressive in creating an environment in which the third sector has been able to develop research, especially in medicine and genetics. The Prime Minister is absolutely committed to ensuring that this country is one of the best countries in the world for scientific research.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): I have more than 200 charities in my constituency. Given the success of directgov.uk in corralling websites across Parliament and Government, would it be possible to do the same for charities? Could some of the software used in directgov.uk be made available for charities on a portal?

Kevin Brennan: I am glad that my hon. Friend has given me an opportunity to tell the House that we are introducing a new funding portal. As a single gateway for third sector organisations, it will direct them to appropriate funding. I am working with the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for West Bromwich, East (Mr. Watson), to ensure that it will fit in with the digital programme that the Government already have in place. My hon. Friend's question also gives me an opportunity to announce that measures being put in place today will enable smaller charities to cut up to £5 million of red tape.

Mr. Francis Maude (Horsham) (Con): It is clear that many charities are having a really tough time because of the recession. It has now been admitted that the Financial Services Authority knew of the risks with Icelandic banks as long ago as the beginning of last year, at which stage it informed both the Treasury and the Bank of England. Why were charities and the public not warned of the risks of investing in those banks? Will the Minister apologise for that failure, which has accentuated the financial woes that charities now face?

Kevin Brennan: I have had the opportunity to meet representatives of the charities involved in the "Save Our Savings" campaign, and I have also met MPs who have charities in their constituencies that have been affected by the Icelandic bank problems of recent months. The Government are continuing to listen to the concerns of third sector organisations whose investments are tied up in the administrative process. I know that my hon. Friend the Economic Secretary to the Treasury met representatives of some of the affected charities just last week, and that he is considering the outcome of that meeting.

Mr. Maude: Listening is all very well, but sorry still seems to be the hardest word. Charities face a really tough time, so is it not doubly important that the Charity Commission monitors effectively the links between charities and violent extremists? Charities rightly have special status, which we all support, but at a time when funds for them are limited, it is important that they are bona fide. Will the Minister ensure that action is taken against charities such as Green Crescent, which seems to have been supporting terrorism in Bangladesh?

Kevin Brennan: Links between charities and terrorism are, of course, completely unacceptable, although extremely rare, as I am sure the right hon. Gentleman would agree. The Charity Commission takes any such allegations seriously. It published a counter-terrorism strategy that was updated last year, and it works closely with police and other agencies. Green Crescent, which he mentioned, is subject to an ongoing investigation by the Charity Commission, which has already taken action to freeze the charity's bank accounts and has suspended a trustee. It is important to maintain investment in the third sector during this downturn. The £100 million cuts to the Cabinet Office budget, which would have come in today, certainly would not be the way to help the third sector at this time.

Women's Voluntary Organisations

2. **Fiona Mactaggart** (Slough) (Lab): What discussions he has had with women's voluntary organisations on the effect of local authority procurement practices on them; and if he will make a statement. [267959]

The Parliamentary Secretary, Cabinet Office (Kevin Brennan): I meet a wide range of third sector organisations, including women's groups, through the Government's national programme for third sector commissioning. We are engaging with local authority and other public sector commissioners on how to improve practice towards the third sector. That includes recent work with the Women's National Commission on embedding key messages and sharing good practice on equalities in commissioning and procurement.

Fiona Mactaggart: I thank the Minister for that reply, but at a recent meeting that I had with a number of women's voluntary organisations, including Women's Aid, I heard that the shift from grant-funded services to procurement has actually damaged the sector by requiring a one-size-fits-all response. That has led to a cut from 35 to 15 in black and minority ethnic specialist organisations, and a requirement that Women's Aid provides for male victims of domestic violence, as well as women victims. Will he, and Department for Communities and Local Government representatives, agree to meet people from that sector to discuss whether we could have a better framework for commissioning those important services?

Kevin Brennan: We already have in place a national programme for improving commissioning, which has had the opportunity to train more than 1,000 commissioners across the country, including on the matters that my hon. Friend mentioned. However, I understand the issue that she raises, and I would be happy to meet her and any representatives that she would like to bring in from Women's Aid or other organisations to discuss her concerns, possibly on a cross-Government basis, to make sure that the other Departments concerned are represented, and to talk further about the issues that she raised.

Ann Winterton (Congleton) (Con): Is the Minister aware of the problems facing many women's voluntary organisations, such as the excellent Cheshire Federation of Women's Institutes, as a result of the reorganisation of local government in Cheshire? That adds extra expense, and means extra effort, for that organisation and many other voluntary organisations, because whereas they previously had one set of contacts at Cheshire county council, they now have to duplicate all efforts with Cheshire East and Cheshire West councils. Why did the Government go down that path?

Kevin Brennan: I hesitate to revisit the issue of the local government reorganisation that is coming into force today, just as I would hesitate to take on the Cheshire Federation of Women's Institutes in any way, shape or form, but I note the hon. Lady's remarks, and I am sure that the House does, too.

Third Sector Organisations

3. **Ben Chapman** (Wirral, South) (Lab): What recent discussions he has had with third sector organisations on the effects of the economic downturn on their funding streams; and if he will make a statement. [267960]

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (Mr. Liam Byrne): My Department is in constant contact with the sector to monitor the effects of the downturn. That is why we are determined to invest £500 million to support the sector over this comprehensive spending review period, and why we committed £42 million in extra targeted help in January.

Ben Chapman: Does the Minister accept that the double whammy of the economic recession will mean not just reduced charitable donations, but the possibility of reduced lottery moneys for charities as a result of reduced ticket sales? Does he accept that children's hospices in particular and smaller charities in general will be particularly affected? Will he ensure that appropriate practical advice is given to both children's hospices and smaller charities so that they can weather the period of the recession?

Mr. Byrne: I congratulate my hon. Friend on the work that he does representing and speaking up for hospices in his constituency. The third sector and charities such as those that he alludes to go into the downturn in

stronger health than ever before, because we have doubled public income to the third sector from £5.5 billion to £11 billion. We are determined to do more. That is why we are spending £500 million over the comprehensive spending review period, and why we are determined to bring forward reviews and reform of Gift Aid.[1] The tax system is now worth £4 billion to charities. Where there are opportunities for us to bring public services, charities and voluntary groups closer together, and to use that strategy to strengthen charities, we will do that. That is why the Department of Health has asked Futurebuilders to manage £100 million-worth of investment in social enterprises over the next couple of years.

Sir Patrick Cormack (South Staffordshire) (Con): While endorsing what the right hon. Gentleman has said, may I ask him, as he is well known for his memos to his colleagues and his officers—

Ian Lucas (Wrexham) (Lab): Excellent memos.

Sir Patrick Cormack: They may be excellent, but could one go out today outlawing that ridiculous term, "third sector"? I have had a go at him about it before. It causes confusion. Let us have some plain English for once. Let us get rid of downturns and third sectors, and talk the English language.

Mr. Byrne: As ever, I am grateful for the hon. Gentleman's advice. I will put immediate thought into how such a memo could be drafted and propagated—perhaps through *The Mail on Sunday*.

Mr. David S. Borrow (South Ribble) (Lab): Is my right hon. Friend aware that in South Ribble, the Tory council has cut funding to a number of voluntary organisations, including the citizens advice bureau, the women's refuge, Victim Support and a charity helping young homeless people? Will he agree to look into the problem of cuts in local authority support for the voluntary sector just at the time when extra rather than less support is needed?

Mr. Byrne: I am sad to hear about the lack of support that my hon. Friend's local authority is showing to the third sector. Local authorities are vital partners in ensuring that the civic strength of this country becomes greater still over the years to come. We are collecting information right the way across the country about how well local councils are supporting, or in my hon. Friend's case not supporting, their local charities and voluntary groups, and we will publish those data over the next couple of months.

Mr. Gary Streeter (South-West Devon) (Con): I commend the right hon. Gentleman for setting up the modernisation fund, which we have already heard about. In his discussions with the third sector—a perfectly sensible name, by the way—will he make it clear that in these straitened financial times he will give greater weight to organisations that show that they will collaborate and co-operate with other similar third sector organisations in their locality, so that some of the duplication and waste that we see in the third sector can be cut out?

Mr. Byrne: Now I feel terribly conflicted.

Sir Patrick Cormack: Sort him out!

1. *[Official Report, 2 April 2009, Vol. 490, c. 10MC.]*

Mr. Byrne: I will do my best.[1] The hon. Member for South-West Devon (Mr. Streeter) is right. Very often it is smaller organisations that make the biggest difference to their communities. That is why we wanted to step up the amount of funding that goes through grassroots grants. In the hon. Gentleman's constituency, I understand that there are about nine organisations which receive about £27,000-worth of grassroots grants. Often those small amounts of money will make the world of difference, as he knows. When the Charity Commission recently asked the question of the sector—however we choose to define the sector—84 per cent. of respondents said that they were more interested in collaboration in the months to come. That is why the modernisation fund, which I am glad to be able to tell the House opens for business today, will provide £16.5 million not just to organisations seeking to merge and grow stronger, but to those that seek advice on how to collaborate more effectively in order to do the job that they are so passionate about.

Phil Wilson (Sedgefield) (Lab): What is my right hon. Friend's Department doing to help voluntary organisations that work with the unemployed?

Mr. Byrne: Volunteering organisations in particular have enormous potential to help people get back to work. We are absolutely determined that long-term unemployment, which so scarred this country during the 1980s, will not be an outcome of this recession. That is why the Prime Minister and my right hon. Friend the Secretary of State for Work and Pensions have set out clear plans to make sure that, after six months, people are given extra training, the opportunity to get extra help to get back to work, or the opportunity to start volunteering in their local communities. That is why the third sector action plan, which we published in January, provided for about £10 million to create about 40,000 volunteering opportunities, to make sure that there is no return to long-term unemployment in this country.

Jenny Willott (Cardiff, Central) (LD): State funding now outstrips donations as the largest source of charities' funds, especially in health and human services; in some cases, more than 80 per cent. of such charities' total income is made up of Government funding. Those charities in particular are at real risk at the moment as Government Departments come under increased pressure to save money and cut costs. We have already heard this morning that there is increased demand for those services in particular. Will the Minister commit to talking to other Departments to make sure that vital funds are not cut from charities at this time and that they can carry on providing fundamental public services?

Mr. Byrne: Absolutely. We are trying to strengthen the sector over the years to come; that is why we have provided for such a unique and unprecedented amount of money to go to the sector in the months to come. It is important that we strengthen the role of charities and voluntary groups in delivering public services and helping to deliver public services. That is why Futurebuilders is providing so much money to help exactly with that task, why the Department of Health is investing £100 million to help social enterprises step up to provide public services and why the Department for Children, Schools and Families is also providing £100 million to help. This is already a cross-Government effort.

1. *[Official Report, 2 April 2009, Vol. 490, c. 10MC.]*

Hugh Bayley (City of York) (Lab): Charities that work abroad, such as Oxfam and International Service, face the same pressures on fundraising as charities that work in the UK. However, they have an additional pressure because the money that they spend abroad has fallen in value by 20 or 25 per cent. as a result of the change in the value of the pound. Will my right hon. Friend speak to the Department for International Development, and other British Departments of State that fund international charities, to see what additional help can be provided to ensure that those charities' Government-funded programmes of work continue at the same level as was originally anticipated?

Mr. Byrne: I will, of course, have those conversations on my hon. Friend's behalf. It is important that we do not just talk about how we can strengthen the role of charities and other groups in delivering international aid, but that we back that with concrete plans to increase funding. That is why so many on the Labour Benches are proud of our commitment to increase overseas aid, despite the difficulties that our economy faces.

Mr. Nick Hurd (Ruislip-Northwood) (Con): It is hard enough to run a voluntary organisation, but now really important community organisations such as churches and sports clubs are facing huge increases in their water bills as a result of new surface water drainage charges. Some clubs are reporting tenfold increases in their bills. It is extraordinary that those changes should have been made without any impact assessment. Surely the one thing that the Government must do in these times is avoid making things even harder for people trying to help their communities. Will they step in now and impose a moratorium on the changes, at least until an impact assessment is done? That would be real help now.

Mr. Byrne: I am grateful for that advice. I understand that Brian Moore in *The Daily Telegraph* has been leading a campaign on that exact issue, for which I commend him. As the hon. Gentleman knows, we are determined to make sure that there is specific, targeted, focused help for organisations that are facing new pressures, such as a decline in income and a step up in demand for their services. That is why we put £42 million of help on the table in January. Where there are additional pressures and Government action could help, we will, of course, have those conversations with my colleagues across Government.

Public Services

4. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): What steps he plans to take to maintain the public services for which his Department is responsible during the recession. [267961]

6. **Mr. Jim Devine** (Livingston) (Lab): What steps he plans to take to maintain the public services for which his Department is responsible during the recession. [267963]

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster (Mr. Liam Byrne): The Government do not believe in cutting back during a downturn. That is why public net investment will rise from £30 billion in 2007 to £40 billion in 2009-10. It is why, in the Cabinet Office, we are providing extra funding to support charities, voluntary groups and social enterprises and the communities that they help.

Mrs. Hodgson: Does my right hon. Friend share my belief that the public sector needs to be more creative, more ingenious and, most importantly, greener to help us to fight our way out of the recession? If he does agree, would he consider working with Smith Electric Vehicles in my constituency in order to achieve that?

Mr. Byrne: My hon. Friend will also know that my constituency, Birmingham, Hodge Hill, is home to LDV, which is pioneering new products in the electric vehicles market. She can rest assured that that is a mission to which I am also passionately committed.

Mr. Devine: As my right hon. Friend knows, during the 1980s I worked as part of a primary care psychiatric team. I watched doctors prescribing antidepressants and Valium when they could have prescribed a job—if there had been jobs, people would not have been near the health service. Will he assure me that we do not believe that high unemployment is a price worth paying and that we will invest to ensure that we will not abandon a generation to Valium, videos and vodka?

Mr. Byrne: My hon. Friend is absolutely right. That is why, in contrast to the early 1980s, when public net investment fell in real terms from about £16 billion to just £11 billion, we will take precisely the opposite course of action. One cannot cut one's way out of a recession; one can only grow one's way out of a recession. That is why this Government are committed to increasing investment, strengthening public services and doing everything possible to help those coming out of work. We do not believe that unemployment is a price worth paying, unlike the Conservative party.

Mr. Denis MacShane (Rotherham) (Lab): As my right hon. Friend rightly defends the importance of public service, does he agree that the new guiding principle should be that no one employed from the public purse should earn more than the salary of the Prime Minister?

Mr. Byrne: It is vital that public sector pay is constrained. That is why my right hon. Friend the Chancellor has pioneered three-year pay deals, and why it is particularly important that those leaders at the top of public life show an example. The Prime Minister announced yesterday that for the senior civil service and the judiciary we will not accept the recommendations of the Senior Salaries Review Body and we will abate increases this year to 1.5 per cent. It is important for Ministers, in particular, to show restraint, which is why Ministers will not be taking a pay rise either in their ministerial pay or in their pay as Members of this House.

Civil Service

5. **Mr. Mark Harper** (Forest of Dean) (Con): What plans the Government have to create additional jobs in the civil service during the recession. [267962]

The Parliamentary Secretary, Cabinet Office (Mr. Tom Watson): The Government are committed to helping people and businesses as we fight through the economic downturn. Our priority is to support people back into work. In the hon. Gentleman's own area of interest, the civil service is playing its part. For example, the Department for Work and Pensions is recruiting 6,000 more front-line staff in Jobcentre Plus.

Mr. Harper: I am grateful to the Minister for that answer. When he is looking at civil service recruitment, will he consider the fact that every Government Department pays its disabled employees less than its non-disabled employees? The Home Office, which is the worst offender, pays disabled employees a third less than their non-disabled counterparts. Will he take action to stamp out that discrimination?

Mr. Watson: As I say, I know that the hon. Gentleman has a personal interest in this area. The record on recruitment for civil servants with disabilities is a good one. We have doubled the number of civil servants claiming to be disabled since 2001. I understand the hon. Gentleman's point and I will take a look at it.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My hon. Friend will be aware that civil and public service workers are just as concerned about their jobs as those in the private sector. Can he assure the House that he will continue to invest in the public services of this country and will not pander to the millionaires' club who would cut inheritance tax?

Mr. Watson: My hon. Friend is absolutely right. We will not pursue policies that benefit the few, not the many. Indeed, this month the Conservatives committed to removing the equivalent of 3,400 police officers from the Home Office budget, taking away £3 billion-worth of critical infrastructure investment that supports our workers through difficult times, and slashing the budget of the Department for Innovation, Universities and Skills, which would threaten apprenticeships. There is only one minute to go until the end of April fools' day, but the real tragedy is that the Conservatives are serious about that.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [267916] **Mr. Edward Garnier** (Harborough) (Con): If he will list his official engagements for Wednesday 1 April.

The Prime Minister (Mr. Gordon Brown): This morning, on behalf of the whole of the United Kingdom, I welcomed President Obama and the First Lady to Downing street.

This afternoon I will be meeting President Medvedev of Russia, Prime Minister Singh, Prime Minister Aso of Japan, and the President of China. Tonight, the G20 leaders will meet in the first session of the G20 summit. I am proud that our country is hosting the G20 meeting.

Mr. Garnier: The Prime Minister and his noble Friend Lord Myners have now had 24 hours to consider whether they can confirm what Lord Myners said to the Treasury Committee about Sir Fred Goodwin's pension arrangements. Does the Prime Minister understand that his Ministers are now held in public ridicule and contempt, and is it not time that at least one of them resigned?

The Prime Minister: I see that the hon. and learned Gentleman has risen to the occasion today. Lord Myners has made it very clear that he was told of something that he was led to believe was a contractual obligation but was a discretionary matter. That is the issue that UK Financial Investments Ltd is taking up with the Royal Bank of Scotland; that is the basis on which we are considering legal action; and that is the basis on which UKFI will use its votes in the annual general meeting to promote legal action.

Q2. [267917] **Mr. Stephen Hepburn** (Jarrow) (Lab): The Prime Minister knows that many unfortunate people in this country have been negligently poisoned in the workplace through exposure to asbestos. Every time that their right to compensation has been challenged in the courts by employers, it has been this Labour Government who have stood by them and helped them. What does he intend to do about the thousands of predominantly working-class pleural plaques sufferers who have been robbed of their compensation by unjust decisions in the law courts?

The Prime Minister: Asbestosis is a terrible disease, and all those who suffer from it deserve the best of help from the public authorities. It is right that we look again at this as a result of legal actions that have been taken about the obligations of insurance companies. The Justice Secretary will make a statement on this when we return after Easter.

Mr. David Cameron (Witney) (Con): On behalf of all Conservative Members, I join the Prime Minister in welcoming President Obama and the First Lady, and all the other Presidents and Prime Ministers, to our country this week.

Before turning to the G20, may I ask the Prime Minister about the issue of MPs' expenses? *[Interruption.]* MPs may groan, but frankly I am fed up with our politics being dragged through the mud. We need a solution that is transparent, costs less than the current arrangements, and restores faith in the political process. Is it not the case that we cannot wait for another review, and that this needs to be agreed now? So instead of another review, will the Prime Minister agree to an urgent meeting between the main party leaders so that we can sort this out once and for all?

The Prime Minister: I agree and have said on many occasions that this whole system has to be reformed and improved. I think that there is common ground in this House that it brings no repute to MPs if we are continually having to deal with these issues. We have made some changes, by the will of the House, to the way that expenses are documented, to the way that the Green Book is organised, and to the way that people are obliged to account for their expenditures of money. Both the parties agreed that the Committee on Standards in Public Life could do a good job in looking at these

issues. Of course I am happy to meet the leaders of the Opposition parties to discuss this, but to restore public confidence in the matter the Committee will have to complete its review as well, and I have asked it to speed up that review so that it is completed as quickly as possible.

Mr. Cameron: Frankly, the problem is that we do not need another review. Let us be clear: this is exactly what happened last time. The Prime Minister supported a review, he sent it a letter and when it came up with conclusions, he did not vote for them. [HON. MEMBERS: "Nor did you."] I did vote for them. The public are sick and tired of this situation, and it requires political leadership. That means political leaders making decisions, which means the Prime Minister, the leader of the Liberals and me. I ask the Prime Minister again: will he have that meeting of party leaders so that we can sort this out? May we have it, instead of a review, not in six months' time, not in a year's time, but right now?

The Prime Minister: The right hon. Gentleman wrote his question before he heard my first answer. I said I was quite happy to meet him and the leader of the Liberal party to discuss these issues, but he has to remember that if we in this House are to command public confidence for what we do, we need to satisfy the Committee on Standards in Public Life as well as ourselves. The whole purpose of the discussions we have had in recent years is to take MPs' pay out of politics, so that it is not MPs who are held responsible for the original recommendations on pay, or for voting for them. I believe that we have to satisfy more than ourselves on the standards we apply in public life. Yes, I am prepared to talk to the right hon. Gentleman, but he should agree to what was agreed before: that the Committee on Standards in Public Life should continue to review this issue and report as quickly as possible.

Mr. Cameron: The problem is that we can all hear the rustling of the long grass.

Let me turn to the G20. At the last meeting of the G20 in Washington, the leaders signed up to an important pledge on free trade, but as the CBI said, there were

> "airy promises about completing the Doha world trade deal and rejecting protectionism",

but that

> "Since then, the world has moved backwards, with the majority of G20 countries pushing up barriers".

What assurances can the Prime Minister give us that this time it really will be different?

The Prime Minister: The significance of the G20 meeting is that the world is coming together to discuss detailed proposals on trade and other issues to deal with the problems of the day. I do not think we have had a situation before where Russia, China, India, Argentina, Brazil, all the European countries, Japan and America have come together to see whether we can agree shared policies. In 1929 we had the Wall street crash, and in 1945 we had the first meeting of world leaders that was successful in discussing the issues. We are not going to wait for 16 years; we are taking action now.

On the specifics of trade, the right hon. Gentleman will agree that we have pushed hard in the last few months to get a trade deal round the world. We were pushing before Christmas, under President Bush, so that an agreement could be reached. The problem that is still outstanding—it will help the discussion if I explain it—is that India wanted assurances about a special safeguard mechanism if there were to be a surge of imports. America wanted an assurance that sectoral agreements would be in line with the general agreement that was to be signed on world trade. The American Administration asked us, as they are a new Administration, for some time in the next few weeks to review their position. Given that they are a new Administration, we have to understand that they will want to look at their position, but I am hopeful about that. I am pressing them on this matter, as I did when I talked to President Obama on the phone yesterday before I met him today. The World Trade Organisation needs an answer, and we need to move forward.

What we will achieve at the summit is this: first of all, we will name and shame countries—*[Interruption.]* Well, Mr. Speaker—*[Interruption.]*

Mr. Speaker: Order. Let the Prime Minister speak. *[Interruption.]* Order. It is always the case that the Prime Minister and the Leader of the Opposition get leeway. Let the Prime Minister speak.

The Prime Minister: First, we will name and shame countries that are not prepared to abide by the standards that we are setting. Secondly, we will want to provide trade credits for the future so that we can see world trade expanding by supporting it with at least £100 billion of credit, and thirdly, we will push very hard so that the differences that exist, which other countries have resolved, can also be resolved in America and India.

Mr. Cameron: I am grateful for the Prime Minister's answer, but the fact is that the naming and shaming process was actually agreed in Washington in November at the G20 meeting. Since then, the World Bank has produced a paper stating that 17 of the 20 countries involved have actually implemented measures that have restricted trade. Everyone understands that the new American Administration need time, but clearly the biggest boost for the world economy would be the completion of the Doha trade round, so does the Prime Minister agree with me that the greatest success for the G20 would be to set a credible pathway and a credible timetable to a full Doha agreement?

The Prime Minister: That is one of the things we are trying to achieve, but I have to tell the right hon. Gentleman that he cannot avoid the difficult questions about this G20. We are in the midst of the biggest fiscal stimulus that the world has ever seen, and only the Conservative party seems to be opposing it. We are in the midst of the biggest cuts in interest rates that the world has seen and we are restructuring our banking system. Yes, I agree that trade is important, and that is why I have pushed for it very hard, but I think he understood that when I said that America wanted some time to consider the position that was a barrier to getting an agreement immediately. We will push forward on trade, but we will also push forward on the other measures that are necessary for an economic recovery. I just repeat that nobody coming to London has a policy of doing nothing.

Mr. Cameron: There is someone right here in London who said that we cannot afford another fiscal stimulus, and that is the Governor of the Bank of England. I do not know whether the Prime Minister fully understands what happened last week. While he was wandering around the rest of the world telling them how to run their economies, the Governor of the Bank of England was saying right here that the Prime Minister did not know how to run ours. The fact is that the Governor of the Bank of England very publicly snipped up his credit card. That is what happened last week.

Does the Prime Minister agree with me that the real test of the G20 is whether confidence returns? So here in Britain, will he agree that with the budget deficit at more than 10 per cent. of GDP, a big, big part of restoring confidence is going to be restoring those public finances?

The Prime Minister: Once again, the Conservative party is misinterpreting what is happening in the world and getting everything wrong. The stimulus that has been proposed in Germany is £75 billion. In France it is £24 billion, in China £400 billion and in Japan £42 billion. There is not one country in the world following the advice of the Conservative party. The real issue at this summit is that some people are prepared to take the action to get people through what is a global problem that needs global solutions. The Conservative party reveals in its questions that it is still the do nothing party of the past.

Mr. Cameron: I have to say that this "do nothing" attack has done absolutely nothing for the Prime Minister. Ever since he started making it, he has been going down and we have been going up. It says nothing about us, but so much about him and his approach to the dividing-line politics of the past. Of course other countries that did fix the roof while the sun was shining can afford a fiscal stimulus, but the Governor of the Bank of England said, quite rightly, that we cannot afford one here.

On the G20, everyone wants a global agreement on issues such as trade, the IMF and tax havens, but is it not important to understand that once the talks are over, Britain will still be left with the most appalling public finances? We are spending £4 for every £3 that we raise. This is a domestic problem, and no international agreement is going to resolve it. Do not these difficult circumstances teach us one very important lesson? We should never leave Britain this exposed again.

The Prime Minister: If we do not take action, things will get a great deal worse—*[Interruption.]*

Mr. Speaker: Order.

The Prime Minister: The rehearsals will make no difference, because this is not about the party games that the right hon. Gentleman is talking about. This is about lives, jobs, homes and businesses. I have not heard him once today talk about the problems of the unemployed and the people whom we are trying help. He said that we cannot afford a fiscal stimulus. That is his position, so he would cut the pension, cut child benefit, not go ahead with the help to small businesses or to home owners, not go ahead with advancing public investment—everything that we are doing to take this country through the downturn, he opposes. I hope that people in every constituency know that Conservative party policy is to cut the pension, cut child benefit and cut public works. That is the policy of the Conservative party.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I fully appreciate that the G20 is mainly about economic issues, but should the Prime Minister or any of his colleagues get a chance to talk to our Russian colleagues, will he remind them that human rights remain extremely important, and that action such as raiding the Memorial offices in St. Petersburg or threatening to destroy the Stalin archives is not worthy of a great country?

The Prime Minister: Every time I meet President Medvedev, I remind him of our differences with Russia over some of those very issues, and I will continue to do so when I meet him this afternoon. There have been difficulties in the relationship between Britain and Russia, but it is important to recognise that we want Russia to work with us on a middle east peace settlement and in dealing with the problems of Iran, and we want to work together with Russia to achieve multilateral disarmament and ensure that the non-proliferation treaty works. Those are all issues on which I believe we can work with Russia.

Mr. Nick Clegg (Sheffield, Hallam) (LD): We all want this G20 summit to succeed. The Prime Minister is right to say that we will not get out of this mess unless world leaders work together. However, the summit will not help anybody here unless he practises at home what he preaches abroad. On his world tour, he railed against tax avoidance, yet he presided over industrial-scale tax avoidance in British banks and British businesses. He now talks about green-collar jobs, yet his fiscal stimulus has less green stimulus than any other fiscal stimulus in the G20. Does he not see that leadership starts at home?

The Prime Minister: Let me tell the leader of the Liberal party that for the first time we are on the verge of an agreement, which means that every country that was previously a tax haven will have to exchange tax information on request. So with Switzerland, Andorra, Luxembourg, Hong Kong, Singapore—all the countries with which we have been trying to get agreement for 20 years; I do not know whether the Conservative party wants those agreements, but we have been trying to get them for 20 years—we will get agreements at this summit. The issue of tax havens has moved to a new level, where we are dealing with the problem.

On a green stimulus, I hope that the right hon. Gentleman finds that the communiqué reflects the desire in all countries of the world that we do not return to business as usual on the environment, that the recovery is low carbon, and that we will do whatever we can, now and in the Budget, to move that forward.

Mr. Clegg: The words sound good—they always do—but now the Prime Minister has to do what he says. He is the only G20 leader who has blown billions of pounds of borrowed money on a wasteful VAT cut that has not created a single job. Why should any other leader listen to his lessons? Is it not time for him to admit his mistake, announce at the summit tomorrow that he will

stop the wasteful VAT cut, and invest the billions of pounds in creating the jobs and homes that this country desperately needs now?

The Prime Minister: On the environment, we are the first Government in the world to sign climate change legislation that will commit us to statutory cuts in carbon over the next few years. I know that the right hon. Gentleman's party does not seem to think it important, but we are leading the world, as we should, in the environmental debate.

On VAT and other changes, I have to tell the right hon. Gentleman that one has to use all the weapons at one's disposal to deal with a global financial crisis. We have cut interest rates, the Bank of England is now putting money into the economy, we have advanced public works in the economy, and we have raised the pension and child benefit beyond the level that was expected in January. At the same time, we are giving income tax cuts, starting this week, by raising personal allowances. We are also helping the unemployed and home owners who find themselves in difficulty. That is the way to deal with the downturn: to take all measures necessary to get through it as quickly as possible.

Mr. David Winnick (Walsall, North) (Lab): Arising from what was said earlier, is my right hon. Friend aware that some of us fought against a Conservative private Member's Bill that would have exempted the House of Commons from the Freedom of Information Act? That being said, does my right hon. Friend agree that it is absolutely essential to have a system of allowances that MPs claim—most of them, of course, are for our staff—so that the public can have confidence that they are legitimate, above board and simply make sense? The sooner we have such a system, the better it will be for the reputation of the House of Commons.

The Prime Minister: I think I speak for all Members when I say that we want a better system that has proper audit and deals with the outstanding issues that have caused so much controversy. However, I have to say to all Members of the House that for that to command public confidence, it is not enough that one or two of us get together in a room; we have to ensure that the Committee on Standards in Public Life, which we set up to deal with such issues, is also satisfied and can tell the public that the system is working better.

Q3. [267918] **Paul Rowen** (Rochdale) (LD): The Christie hospital, which is a world leader in the treatment of cancer, has recently lost £6.5 million owing to the Icelandic banking crisis—money that was earmarked for new radiography centres in Oldham and Salford. Given the Government's support for financial institutions, what is the Prime Minister doing to help the Christie to recover that money?

The Prime Minister: I have met nurses from the Christie hospital, who do a wonderful job in treating people with cancer. The Christie hospital is a world-class hospital and I praise it for what it does. I have said that I will meet its officials to look at the issues that they raise. Essentially, the issue relates to an Icelandic bank that was regulated not in Britain, but outside. For all banks that are regulated in Britain, we have guaranteed the deposits of savers. We will see what we can do, but I have to tell the hon. Gentleman that the central issue is that the Christie hospital is not a charity with funds in a bank that is regulated in Britain. However, we will look at what we can do, and I once again praise the Christie hospital for what it achieves.

Q4. [267919] **Mr. Denis Murphy** (Wansbeck) (Lab): Will the Prime Minister join me in congratulating Rio Tinto Alcan on the excellent work it is doing in my constituency on carbon capture and storage? The method that it has developed will protect both the environment and valuable local jobs. It is also a world first. Will he share that good news with his G20 colleagues and, more importantly, will he come to Lynemouth at his earliest convenience to see first hand the excellent work that is being done there?

The Prime Minister: Yes, I shall be happy to visit to see the progress that is being made in carbon capture and storage and in clean coal. That is an area where we can lead the world. I have been talking to the Norwegian Prime Minister, who has a carbon capture and storage plant under way. We want to work to move the technology forward quickly, and I know that the company in my hon. Friend's constituency, Rio Tinto Alcan, is doing a great job. I look forward to meeting the company and talking about how we can expand the technology.

Mr. David Heathcoat-Amory (Wells) (Con): Does the Prime Minister recall when he was Chancellor of the Exchequer selling 400 tonnes of gold from the reserves, even though he was warned at the time that gold is a very good store of value when boom turns to bust? Given that today the price of gold is nearly four times higher than it was when he made those sales, what does that tell us about his ability to run any other aspect of the British economy, and will he apologise to the British people for making those enormous losses on their behalf?

The Prime Minister: I hesitate to say this, but it was a sale agreed with banks round the world, which all wanted to diversify out of gold. The right hon. Gentleman may know that many other countries were doing exactly what we were doing at that time. He loves Europe so much that he will hate me for saying this, but we bought euros and they have gone up in value.

Q5. [267920] **Ms Karen Buck** (Regent's Park and Kensington, North) (Lab): There are not many traumas worse than being thrown out of one's home. The Government have rightly concentrated on trying to help the people facing repossession because of mortgage arrears. Yet a constituent of mine who is gravely ill with cancer has been told by Conservative-controlled Westminster council's housing arm that she is being taken to court, and faces eviction and court costs, for owing just £390. Does my right hon. Friend share my shock at that behaviour? Is it not right that councils and other landlords should concentrate on cracking down on such behaviour and supporting vulnerable people through these difficult times?

The Prime Minister: Our duty in these difficult times is to help people who are in difficulty and in need. That is why we have made greater provision available for housing at this difficult time. I do not know the details of the case of my hon. Friend's constituent, but it seems to me that someone who is suffering from cancer and who is aged should not be evicted, and I shall look into the matter.

Mark Hunter (Cheadle) (LD): The Metropolitan police in London now have dedicated community policing teams consisting of six officers in every local government ward. They have a sergeant, two police constables and three police community support officers. Could the Prime Minister—*[Interruption.]*

Mr. Speaker: Order. Let the hon. Gentleman speak. It is no use anyone shouting.

Mark Hunter: Thank you, Mr. Speaker. Could the Prime Minister please tell me when my constituents in Cheadle and residents across the rest of the country will enjoy the same level of community policing?

The Prime Minister: I hesitate to say this, because the hon. Gentleman knows what is happening in his constituency, but there is neighbourhood policing in every part of England as a result of the decisions that we have made. I shall certainly look into what he has said, but we have been very keen to set up these neighbourhood policing arrangements so that people can see local police on the beat and consult them. They are informed by the local police about what is happening, and they can text, e-mail or telephone the local police to get information. Our aim is to have neighbourhood policing in every community in the country, and that is possible only because we are ready to invest in the police.

Q6. [267922] **Tony Lloyd** (Manchester, Central) (Lab): My right hon. Friend will vividly remember the damage that was done by unemployment as a result of the failed economic policies of previous Tory Governments, when we were told that unemployment was a price worth paying. Will he give my constituents a guarantee that, in his conversations with the G20 and in the Budget, keeping people in work and getting those who are unemployed back into work will be the absolute priority for this Government, even if it is not for the Opposition?

The Prime Minister: Like my hon. Friend, I came into politics because I was concerned about unemployment, and unemployment is what we want to address. That is why, in the next few days, we are introducing our programme to help those who have been unemployed for six months to get new chances of training and new chances of getting into work. We are investing substantial sums of money in helping people at the time they become unemployed, to prevent them from becoming unemployed and to help them if they are unemployed. I believe that that is possible only because we are prepared to make the choice and say that it is right not to do nothing, and that it is right to take action and to invest in helping employment in this country.

Q7. [267923] **Alistair Burt** (North-East Bedfordshire) (Con): But the Government's working capital scheme, which was supposed to start on 1 March, has so far not produced anything. Unemployment in my constituency has increased by 152 per cent. in a year. Why has no company in my constituency received any money from the working capital scheme set up by the Government?

The Prime Minister: First, £1 billion has been agreed for that scheme already. Secondly, 100,000 companies across the country, and many in the hon. Gentleman's constituency, will be receiving help from the Inland Revenue and from Customs and Excise. That help is now worth about £1.8 billion as a result of the decisions that we made to put public money into these programmes. I cannot see how he can come here and ask us to do more, when the whole policy of his party is to do less.

Q8. [267924] **Laura Moffatt** (Crawley) (Lab): Cancer is a devastating diagnosis to receive, but today is a significant day because cancer-related prescriptions will now be free for everyone. This will give comfort to people in that situation. Will my right hon. Friend ensure that, in order to provide excellent services in Crawley and the surrounding area, West Sussex primary care trust delivers on its plan to have a linear accelerator in the community, which will add to those fantastic services?

The Prime Minister: My hon. Friend is absolutely right. We want to help to review and improve radiotherapy capacity in her constituency, and we will be developing a comprehensive business plan that will cover the current and projected needs of her constituency. Let me also say that we have made a decision that is right for patients who are suffering from cancer—that is, to provide free prescriptions. That has been introduced today, and I believe it is a substantial step forward in recognising the pain and suffering that cancer patients have to go through. I hope that it will have support in all parts of the House.

Nadine Dorries (Mid-Bedfordshire) (Con): It is not brain surgery to keep a hospital clean or to assist a patient to eat or to drink out of something other than a vase. Will the Prime admit and agree with me that Government targets, while providing substance for spin, have actually damaged nursing priorities and patient care?

The Prime Minister: If we removed the obligations, cancer patients would not be given the right to be seen by a clinician within two weeks of going to a doctor. If we removed the target, there would not be an 18-week period between the point at which people go to a doctor and the point at which they have an operation. Patients in the national health service have the right to expect the best of treatments, and I think it important to say that if the Opposition will not provide these guarantees, we will provide them to the patients of this country.

Q9. [267925] **Mr. Eric Joyce** (Falkirk) (Lab): It is 10 years since the introduction of the minimum wage in the UK. It is not in the history syllabus yet, as far as I am aware, but I recollect that not everybody in this place agreed with it. Will the Prime Minister join me in celebrating something that has helped millions of British working people?

The Prime Minister: More than 2 million people benefit from the fact that, for the first time, there is a national minimum wage in this country. I believe that the rises in the minimum wage are an important element of giving people decent wages in the workplace. I hope that, despite the disagreements of the past, there is now all-party agreement that a civilised society needs a minimum wage for people who are in work; we are determined to retain it.

Points of Order

12.31 pm

Greg Mulholland (Leeds, North-West) (LD): On a point of order, Mr. Speaker. Last Wednesday, there was a House of Commons meeting between Leeds MPs and the Minister for Yorkshire and the Humber to discuss the Leeds Arena scheme. Despite the fact that I tabled an early-day motion in support of the scheme and have been very vocal about it, I was not invited to attend that meeting. As you are aware, this is not the first time it has happened, as the former Prime Minister, Tony Blair, wrongly accused me of not going to a meeting that I was not even invited to. Do you agree that when there is a meeting between Ministers and Leeds MPs, all Leeds MPs should be invited, not just Labour ones?

Mr. Speaker: That is not a matter for me, but I would say that if there were an issue affecting Glasgow, I, as a Glasgow Member of Parliament, would expect to be invited to any meeting. I convey that message: if a meeting is specifically for Leeds Members of Parliament, I would expect every Leeds MP to be invited. That is a simple courtesy that should be extended to every Member of Parliament, no matter what city or region we are talking about.

Mrs. Jacqui Lait (Beckenham) (Con): On a point of order, Mr. Speaker. Yesterday, Langley Park school for boys in my constituency suffered a cut of 3.7 per cent. in its sixth-form funding for some 600 pupils. That cut takes effect today and I understand that it is not the only school affected in this way. Have you received a request from the Secretary of State for Culture, Schools and Families to come to explain to the House what is wrong with the learning and skills councils and what he plans to do to fix these appalling cuts, which could mean many teachers losing their jobs?

Mr. Speaker: That is not a matter for the Chair. It is up to Ministers to come to the House to make statements.

Chris Grayling (Epsom and Ewell) (Con): On a point of order, Mr. Speaker. The Home Office has in recent times developed a habit of issuing written parliamentary answers to the media before they are received by Members of Parliament. That was taken to an extreme last weekend when it issued a written parliamentary statement to the media on Sunday, when it would clearly have been impossible for an MP to gain access to it until the following day. May I ask you, if you are in a position to do so, to issue guidance to Departments stating that it is inappropriate to issue formal written parliamentary questions to the media before Members have had a chance to receive and read them?

Mr. Speaker: If the hon. Gentleman is categorically saying that this was a written parliamentary statement, then it should be put to the House of Commons first. I will look further into this matter and I take it very seriously. Let me be specific: a parliamentary statement must not be issued to any body other than this House of Commons.

Chris Grayling: Further to the point of order, Mr. Speaker. I should make it clear that I was referring to written parliamentary questions. [HON. MEMBERS: "Written answers."] I mean written parliamentary answers.

Mr. Speaker: A written answer is different from a statement. A written answer should be published for the House of Commons. Obviously, if a Member of Parliament has tabled a question, the answer should go to that Member of Parliament first, and it should not be produced on a Sunday when Members of Parliament are working and doing other things. I shall have to look into the matter, because a rebutting argument may be presented, but that is what I say.

Registration of Births and Deaths (Welsh Language)

Motion for leave to introduce a Bill (Standing Order No. 23)

12.35 pm

Hywel Williams (Caernarfon) (PC): I beg to move,

That leave be given to bring in a Bill to make provision about the registration of births and deaths where particulars are given in Welsh and English; to permit certificates of particulars of entries of registers of births and deaths to be in Welsh or English only in such circumstances; and for connected purposes.

The Bill would amend the Births and Deaths Registration Act 1953. It aims to allow registration in English and Welsh when a birth or death has occurred in England, and to allow certificates to be issued in either language as well as bilingually. It also provides for the issuing of short death certificates.

The 1953 Act requires that a birth or death be registered by the registrar of the district in which the event takes place, but since 1 April 1969, 40 years ago today, births, stillbirths and deaths in Wales may be registered in both Welsh and English when a qualified informant is able to give information in Welsh to a registrar who can speak and understand Welsh. Certificates may then be issued which are either bilingual or in English only. Welsh-only certificates are not allowed, and registration in England is currently only possible in English. Short birth certificates may be issued, but death certificates are allowed only in the long form.

Some families from Wales travel to England for the birth of a child, either to obtain specialist care at the birth or because their areas are normally served by hospitals in England. I am thinking in particular of families from north Wales who may have to travel to Merseyside and, indeed, beyond in an emergency, and also of families from Powys who might normally cross the border to Shropshire or Herefordshire to obtain hospital care at the birth. Furthermore, some people from Wales receive their end-of-life care in hospitals in England, again because of the need for specialist care or because that is the normal arrangement where they live. Quite reasonably, families in those circumstances may wish to register such significant events in Welsh. The language is both a signifier and a definer of the identity of their loved ones.

In 1999, my colleague Lord Elis-Thomas introduced a Bill similar to this, which was passed in the other place but did not proceed in this House owing to lack of time. A Bill to the same effect was published by our erstwhile colleague Mr. Gareth Thomas, then Member of Parliament for Clwyd, West, but it too proceeded no further, again owing to lack of time. Indeed, the need for at least one of these reforms—the bilingual registration of births in England—was noted as long ago as 1990, in the White Paper "Registration: proposals for change". Lord Elis-Thomas and Gareth Thomas benefited at that time from the advice of the Office for National Statistics, and also worked closely with the Welsh Language Board. I am glad to acknowledge the help given by the board in the preparation of the Bill.

All three Bills would overcome the deficiency that families face by establishing a central register of births, stillbirths and deaths occurring in England when Welsh speakers wish for a bilingual certificate. In practice, the Welsh-speaking informant would be able to make a declaration of the particulars to be registered, not in the district where the event occurred but before a suitable registrar in Wales. That registrar would then send the declaration to the registrar for the district in England where the event occurred, and it would be registered in the normal way. The declaration would also be forwarded to the Registrar General, who would record the details in the central register in both Welsh and English. A certificate could then be issued. That would enable the details, in future years, always to be available in both languages.

The Bill would also allow certificates to be issued from the bilingual entry in Welsh or English only, thus ensuring that at last both languages would be treated equally—as noted in the Welsh Language Act 1993, passed by the Conservative Administration. Bilingual certificates would continue to be available under this Bill, and I suspect that that would remain the usual choice for most families. The Bill would also allow for short death certificates, so as to exclude details of the cause of death, which sometimes cause great distress to families.

I understand that there are no significant staffing implications for public services from the Bill. The cost of establishing a central register would be minimal and would be paid for by the sale of certificates. The measure raises no human rights issues.

The law concerning the Welsh language has developed over many years, from the Acts of Union in the 16th century whose penalising clauses in effect banished the Welsh language from its previous position in the official domain—as an official language, I would even chance to say—to the modest reform of the Welsh Courts Act 1942, the landmark Welsh Language Act 1967, and subsequently the Act of 1993.

At present the Welsh Affairs Committee, of which I am a member, is taking evidence on a Welsh language legislative competence order. If passed, that will transfer the Welsh language powers from Westminster to the National Assembly for Wales. However, registration of births and deaths is not included in that LCO, hence the need for this Bill.

On 17 March, I proposed a range of suitable amendments to the Welfare Reform Bill on Report, but they were not reached. However, I am glad to say that the Government agree with elements of this Bill and agree that they are needed. I refer the House to an answer from the Under-Secretary of State for Wales:

"the Government remain firmly committed to producing Welsh language certificates, and the General Register Office is exploring the best way to do that...I reiterate that we are firmly committed to pursuing that path."—[*Official Report*, 11 March 2009; Vol. 489, c. 283.]

I also have here a copy of a letter to Mr. Gareth Thomas from a then Minister at the Treasury, the right hon. Member for Leicester, West (Ms Hewitt), in which she shares her disappointment that his

"useful Bill failed to complete its passage through the Commons."

That was in 1999. She continued:

"The ONS has bid for the Bill to be reintroduced and the Chief Secretary has approved its inclusion on the Treasury's list of Government handout Bills for the next session.

If, by any misfortune, the Bill fails to succeed in the next session, we will take the opportunity to include its provisions within any legislation that follows from the current review of civil registration."

[Hywel Williams]

I am of course glad of the Government's historic support on this issue, but I note that some nine years have passed since that "glad and confident" letter. I hope therefore that their support can now be translated into a commitment of parliamentary time.

I am by nature an optimist, but I am reminded of a point made in Ned Thomas's seminal work "The Welsh Extremist: A Culture in Crisis" in 1971, in which he pointed out that the Welsh language so often had

"high prestige and low priority".

More poetically, T.H. Parry Williams, in one of his finest sonnets, says of the language:

"Cei ganmol hon fel canmol jwg ar seld
Ond gwna hi'n hanfod ac fe gei di weld",

which translates as,

"You may praise her as you would a jug on a dresser
But make her essential and then you'll see".

This Bill has wide support in Wales and I am grateful today for the support of Welsh Members on both sides of the House and Members from across the border—

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): And the other border.

Hywel Williams: And the other border.

Birth and death are the most significant events in life, the alpha and the omega. It is proper and humane, and in my view a fundamental right, that these events be marked in one's own language. Those happy parents and those grieving families who by force of circumstance find themselves unable to do so merely by the accident of location have waited fully 40 years for this day and for this reform.

Question put and agreed to.

Ordered,

That Hywel Williams, Mr. Elfyn Llwyd, Adam Price, Mr. Dai Davies, Mark Williams, Dr. Hywel Francis and Michael Fabricant present the Bill.

Hywel Williams accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 16 October and to be printed (Bill 83).

Geneva Conventions and United Nations Personnel (Protocols) Bill [*Lords*]

Second Reading

Mr. Greg Knight (East Yorkshire) (Con): On a point of order, Mr. Speaker. This Bill seeks to amend the Geneva Conventions Act 1957, but the Vote Office does not have a copy of that Act. That is a very unfortunate state of affairs. Should not this debate be delayed until the Vote Office has a copy of that Act?

Mr. Speaker: I do not think that we can do that. I will instruct the officials to ensure that the Act is made available in the Vote Office, but we cannot delay the proceedings.

12.45 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Gillian Merron): I beg to move, That the Bill be now read a Second time.

The Bill will give effect to two international agreements. The aim of both is to protect those who help others caught up in conflict—those who risk their lives to provide humanitarian support to others. The enactment of the Bill will enable the UK to become a party to the third additional protocol to the Geneva conventions and the optional protocol to the convention on the safety of the United Nations and associated personnel.

This is a fitting moment to seek support for improvements to the Geneva conventions as it is this year that the conventions celebrate their 60th anniversary. They are universally recognised as enshrining the main principles of international humanitarian law. They oblige every state in the world to abide by the rules of war in order to limit the effects of armed conflict. They help to ensure that the wounded and the sick receive treatment; that prisoners and refugees are treated humanely; and that all civilians are protected from unnecessary harm.

The UK has, of course, always been at the forefront of developing and promoting the rules in the Geneva conventions and, by enacting this Bill, we will show the UK's support for the latest improvements to these rules and our continuing commitment to the development of international humanitarian law.

Lembit Öpik (Montgomeryshire) (LD): I am obviously minded to support the Bill. It is a question of process. Often the biggest frustration for free countries is the inability to bring obvious offenders—people such as Robert Mugabe—to justice for violations of civil liberties. Is it the Minister's view that the Bill will improve our capacity to bring to justice people around the world who clearly have no regard for human rights?

Gillian Merron: I understand the hon. Gentleman's point, but it is not within the scope of the Bill, for reasons that I will go on to outline.

I know that right hon. and hon. Members will join me in thanking the British Red Cross Society for the co-operation that it has given us in preparing and promoting this important Bill. Members will also join me in commending the magnificent work done by the British Red Cross, both in the UK and overseas, where it co-operates with other national societies, the International

Federation of Red Cross and Red Crescent Societies, and the International Committee of the Red Cross, to which I also pay tribute.

Mr. Greg Knight: Hon. Members on both sides of the House would want to associate ourselves with what the Minister has just said about the Red Cross, but will the Bill have any consequences for the name of the Red Cross? For example, in the future, will it have to be called the Red Cross and Red Crystal society?

Gillian Merron: No, I am assured that the current arrangements will stay, and I will, of course, explain our default position on the use of symbols. I am grateful to the right hon. Gentleman for his support. Of course, we all share a common view of the work that is done on our behalf.

Most people are well aware of the life-saving work done by the Red Cross during times of conflict or when natural disasters strike, but I should like to put on record the kind of work that the Red Cross also does to save and improve lives in many other ways. First, it provides first aid training for thousands of ordinary people, so that they can take the right steps when confronted by serious injury. Secondly, it helps communities vulnerable to natural disasters to prepare for the worst and to work in advance against the possible effects of floods, earthquakes, fires and weather-related disasters. Thirdly, it promotes the international laws that help to minimise the negative effects of wars and other conflicts on civilians and combatants.

Michael Fabricant (Lichfield) (Con): In welcoming the work of the Red Cross, will the Minister include the work of the Red Crescent and the Red Star of David—the Magen David Adom?

Gillian Merron: Of course, I am very happy to do so.

Such work helps us all, of course, and we should be proud of and grateful for it. I very much welcome the sentiments expressed in early-day motion 1224, which was tabled this week by my hon. Friend the Member for Chorley (Mr. Hoyle), to support the "Our World. Your Move" campaign. I am grateful for the eagle-eyed attention of the hon. Member for Aylesbury (Mr. Lidington) in alerting me to the fact that the impact assessment was not, as it should have been, available in good time before the debate. I apologise to the House that that happened due to administrative error, and I assure the House that the impact assessment has now been made available.

I now come to the detail of the Bill. Clause 1 will amend the Geneva Conventions Act 1957 to allow the ratification of the third additional protocol to the Geneva conventions. The protocol provides for the use of a new humanitarian emblem—the red crystal—in addition to the existing emblems, the red cross and the red crescent. The UK Government and the British Red Cross played a significant role in securing international agreement for the adoption of the red crystal. The symbol is already widely accepted, as 38 states have already ratified the third additional protocol. Like the other two emblems, the red crystal is designed to be a protective symbol for humanitarian personnel in armed conflict.

It is interesting to reflect on the fact that the idea of a protective symbol came from a Swiss business man—Henri Dunant—who was travelling on business some 150 years ago and, by chance, happened to witness the battle of Solferino in Italy. During the battle, some 40,000 men from both sides were killed or wounded, and Dunant was shocked to see the wounded left on the battlefield without proper medical care. He therefore broke off his business trip and spent the next few days helping to do all that he could himself and convincing the locals also to help the wounded. He went on to found the Red Cross and establish the emblem of a red cross on a white background to help to identify those providing assistance.

I was fascinated to read the Red Cross literature, which told me that the emblem is a reversal of the colours and design of the Swiss flag. The symbol, as we know, has been used ever since. Its use has undoubtedly saved many lives—the lives of those providing humanitarian assistance, as well as lives saved by humanitarian acts. The red crescent emblem was given the same function in about 1879. Both symbols represent the protection of the medical services of the armed forces and the injured under the Geneva conventions. More recently, that protection has been extended to include civilian medical services.

As we know, however, conflicts have become more complex and the scope for the misunderstanding of those emblems has undoubtedly increased. In some situations, the red cross and the red crescent perhaps can be seen as having a religious, cultural or political connotation, which is not appropriate, accurate or intended in the settings in which it is used. Therefore, the red crystal has been introduced to ensure that a clear and neutral symbol exists for all to use. It can be used wherever the use of the other two symbols might be misinterpreted and therefore may not provide the protection that we would all seek to ensure. The red crystal symbol can also be used by national societies of the International Red Cross and Red Crescent Movement—for example, in Israel and Eritrea—where people may feel unable to identify with either the cross or the crescent or do not want to have to choose between the two.

John Bercow (Buckingham) (Con): Who will determine the circumstances in which the red crystal, as distinct from either alternative, will be used?

Gillian Merron: That is a matter on which the appropriate movement in-country will make a decision. As I will go on to say, our default position will be to use the red cross; but in all cases, we will consider the circumstances of the conflict and make a decision for our own part of the International Red Cross and Red Crescent Movement.

The creation of the red crystal was part of a package that paved the way for the Israeli and the Palestinian national societies to join the International Red Cross and Red Crescent Movement in 2006. That has offered the movement the opportunity to achieve its goal of universality—again, something that we would all support.

The United Kingdom signed the third protocol in December 2005. Once the protocol is ratified, our Defence Medical Services will be able to use any of the three distinctive emblems. As I have already stated, we will continue to use the red cross as our main humanitarian emblem; but in any conflict, our armed forces will be able to choose the emblem that is likely to afford the maximum protection to their medical services and their patients. For instance, British troops deployed in

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Afghanistan or Iraq can use the red crystal or the red crescent, rather than the red cross, as a protective symbol for their medical units if they believe that doing so would improve their safety.

Mr. Christopher Chope (Christchurch) (Con): Can the Minister help us on the use of the red lion and sun? In 1980, the Islamic Republic of Iran declared that it was waiving its right to use those symbols and would use instead the red crescent as its distinctive symbol, but it reserved the right to return to the red lion and sun if new emblems were recognised. By recognising this new emblem, are we creating the danger that the Islamic Republic of Iran may wish to revert to the use of the red lion and sun, thereby creating another symbol?

Gillian Merron: We are introducing clarity and reminding ourselves why we have international emblems. The three emblems form the basis of use and protection; they are clearly and absolutely recognised; and there can be no misunderstanding. In-country, for example, if a local society wished to use the red crystal with a red cross inside, it could do so. However, I am talking about—this is what hon. Members are concerned about—the protection provided in conflict situations.

Mr. Chope: I am grateful to the Minister for giving way again, because I do not think that she understood my point, which is that the Islamic Republic of Iran has given due warning that if symbols in addition to the red cross and red crescent were enacted, it would reserve the right to revert to the use of the red sun. I want to find out from the Minister whether or not that threat from the Islamic Republic of Iran is still on the table.

Gillian Merron: My understanding is that there has been no indication that Iran would wish to revert to using those symbols, and I hope that that reassures the hon. Gentleman.

Christopher Fraser (South-West Norfolk) (Con): Does the Minister accept that using various symbols in different areas gives rise to the problem addressed by my hon. Friend the Member for Christchurch (Mr. Chope)? In the future, more symbols may well be introduced because of the circumstances that are presented, and that could cause more confusion, rather than coherence in what the Red Cross is trying to achieve.

Gillian Merron: No, I do not share that view. Indeed, let us remember that the impetus has come from the International Red Cross and Red Crescent Movement, which recognises the difficulties and limitations of having two emblems. Therefore, rightly and sensibly, with a lot of hard work and negotiation, we have found that the adoption of the red crystal is getting us through the kind of difficulties that the hon. Gentleman is concerned about.

Bill Wiggin (Leominster) (Con): I have been listening carefully to the Minister, but she has not really answered the question about the people who have been ignoring red crosses and red crescents but who are not going to ignore a red diamond or crystal, or whatever she wants to call it. Will she answer that question now? What evidence is there that the approach has worked in the field of combat?

Gillian Merron: I have been in discussions with the British Red Cross and I know how much support there is for this Bill. I also know how much support exists internationally, among people who operate in the field. They have requested us to take the legislative action necessary to make available an additional option that they do not have at the moment. That is why we are here today.

This is about sensitivity to the situation. As I said in my opening comments, there are concerns that the red cross or red crescent might be incorrectly interpreted. That is why the international movement has come forward with this proposal for the red crystal symbol. I think that it is the correct option.

John Bercow: I am extremely grateful to the Minister for giving way. She is very reasonable, and is addressing the House in her usual mellifluous tones. I am minded to support the Second Reading of the Bill, but I am a bit befuddled about one thing; I hope that she can release me from my ignorance before long. There are three clauses in the Bill, and clause 3 deals with commencement. It specifies that the other two clauses will come into effect, by statutory instrument, on a date to be decided by Ministers. The measure is important and reasonably urgent, so when will the instrument be brought forward?

Gillian Merron: I am afraid that I cannot tell the House that at this stage, but I shall be glad to do so in my closing remarks.

By ratifying the third protocol, we will show our continuing commitment to the development of international humanitarian law. As required by the additional protocol, the Bill will amend the Geneva Conventions Act 1957 to make it a criminal offence to misuse the red crystal symbol, as is currently the case with the other two symbols.

Clause 2 amends the United Nations Personnel Act 1997 to give effect to the optional protocol to the convention on the safety of UN and associated personnel.

Mr. Greg Knight: I am grateful to the Minister, who is being extremely generous in giving way. However, I return to the point made by my hon. Friend the Member for Buckingham (John Bercow). If she cannot answer now, perhaps she will be able to answer at the end of the debate. As I understand it, the red crystal symbol has been in force internationally since 14 January 2007. Why has the Bill taken so long to get here? Why does its commencement provision not use the word "forthwith"?

Gillian Merron: To do full justice to that question, I shall deal with it in my closing remarks.

The optional protocol allows states to agree to extra measures to increase the legal protection of UN and associated personnel engaged in UN operations. The UN began providing legal protection to its personnel in 1994, when it adopted the convention on the safety of UN and associated personnel in response to rising casualties among UN peacekeepers and others. The convention makes three requirements of member states: that they prevent and punish, through domestic criminal law, attacks on UN personnel and others associated with UN operations; that they extradite the perpetrators of such acts; and that they implement other ancillary measures.

The scope of the convention is relatively narrow, applying to UN operations in only two categories. The first category covers those operations designed to maintain or restore international peace and security, and the second covers those operations that the UN Security Council or General Assembly has declared pose an exceptional risk to the safety of the personnel participating in them. That narrow scope of protection has been heavily criticised, in particular by former UN Secretary-General Kofi Annan, who called repeatedly for a protocol to extend the protection to those UN personnel not otherwise covered. That call was echoed at the world summit in September 2005.

Christopher Fraser: By passing the Bill, Britain will be setting an example for other nations. Does the Minister agree that the optional protocol must also be adopted by those countries where personnel are at greatest risk?

Gillian Merron: That is an extremely important point, and the hon. Gentleman is quite right. The Bill is unlikely to have an impact on UK soil, but it will send a very clear message to other nations.

Mr. Chope: Will the Minister give way?

Gillian Merron: In a moment, but I want to continue explaining how we came to this point.

As I said, the call by Kofi Annan was echoed at the world summit of September 2005. In response, the UN General Assembly adopted an optional protocol to the 1994 convention in December of that year. That protocol extends the scope of protection to two new categories—to operations for the purpose of delivering humanitarian, political or development assistance in peace building, and to operations for the purpose of delivering emergency humanitarian assistance. As the House will be aware, those measures are—sadly—as necessary today as they have been in the past.

Mr. Chope: Can the Minister tell us about enforcement? Even without the extension, can she assure the House that the existing arrangements are being enforced? Most people know that, although the UN or this Parliament may say something about Darfur, for example, there is outright defiance of these conventions on the ground.

John Bercow: Chope the humanitarian!

Gillian Merron: It is true that the protocol has to be applied through domestic criminal law, and that we are not able to track whether there have been prosecutions of people who have attacked UN personnel. However, the protocol is designed to correct the weakness in coverage that does reflect the current situation. That is why the Bill is before the House today.

Thankfully, the global conflicts that typified the first half of the 20th century have been avoided, but continuing regional, bilateral and internal conflicts have brought just as much suffering to the people caught up in them. The Red Cross and Red Crescent has worked to minimise that suffering, but the UN high commissioner for refugees told the Security Council earlier this year that the deliberate targeting of humanitarian workers in such conflicts has increased. As well as being deeply shocking, that worrying new trend puts UN humanitarian staff in an impossibly difficult situation. Do they act to keep themselves and their colleagues safe, or do they continue to try to deliver effective humanitarian assistance to those desperately in need?

Christopher Fraser: I thank the Minister for giving way again. I am asking my questions in interventions rather than in a speech as I have to attend a Select Committee very shortly. When the UN's sixth committee proposed the terms of the optional protocol to the convention on the safety of UN personnel, there was some concern that the term "peace building" was not properly defined. What does she understand the term to mean now?

Gillian Merron: The hon. Gentleman is right, and we will miss his presence in the Chamber later. The term "peace building" does not have an agreed definition but, according to the UN, it covers a wide range of activities associated with capacity building, reconciliation and societal transformation. He will know that peace building is a long process that happens after violent conflict has slowed or come to a halt. The Bill is important because it recognises that there has been a change in the work that UN personnel do on our behalf.

I said earlier that UN humanitarian workers face an impossible choice, one that none of us would want to make. However, we should do everything possible to make sure that those courageous men and women acting in our name should not have to confront that choice. If they are to continue to fulfil their vital roles in the most difficult of situations, they must have the full weight of international law behind them. When we held the EU presidency, we played a leading role in securing the adoption of the optional protocol by the General Assembly. By ratifying the optional protocol, the UK will once again demonstrate its commitment to protecting humanitarian aid workers—a commitment that I know all right hon. and hon. Members share.

Mr. Greg Knight: Before the Minister concludes, will she make reference to the European convention on human rights? If my memory is correct, clause 1 of the Bill might be seen as a control on the use of property within that convention, and the clause might therefore fall foul of the convention.

Gillian Merron: I can assure the House that the Bill stands alone, and gives effect to the points that I have outlined. As hon. Members have pointed out, ratifying will encourage other states to sign and ratify the optional protocol. It will help to convince yet more states to become parties to the 1994 convention. We have the opportunity today to set an example. I commend the Bill to the House.

1.11 pm

Mr. David Lidington (Aylesbury) (Con): I very much welcome the Bill, which fills two gaps in the domestic application of international humanitarian law. If, by any chance, there should be a Division later today, I shall certainly support the Government in voting in favour of a Second Reading.

As there is to be no separate debate on the programme motion that the Government tabled today alongside the motion on Second Reading, I hope that the Minister

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will forgive me if I start by making a few brief comments on that programme motion. I welcome the Government's decision that the Bill be committed to a Committee of the whole House. That is a welcome departure from a practice that has been too frequent in recent years; Bills that once would have been open to debate in Committee by all right hon. and hon. Member have been shunted upstairs for truncated scrutiny there, so this is a welcome change. The Foreign and Commonwealth Office rarely has primary legislation before the House, and I am glad that it is, on this occasion, setting an example to other Departments. I hope that the Foreign Secretary and the Under-Secretary of State for Foreign and Commonwealth Affairs, the hon. Member for Lincoln (Gillian Merron), are able to persuade their fellow Ministers that it is an example that other Departments would do well to follow.

I temper my welcome just a little bit by expressing disappointment that the programme motion provides for proceedings in Committee, on Report and on Third Reading to be completed all within a single parliamentary day. The Bill has cross-party support, but in my experience, we could improve our understanding of most Bills through detailed scrutiny and questioning, and the tabling of new clauses and amendments that are intended to probe, rather than to overthrow the principles of the Bill in question. The House of Lords is very insistent on maintaining intervals of a few days between each stage of primary legislation; that is an example that we in this House might profitably seek to emulate.

I note that the programme motion not only provides for Committee and all subsequent proceedings to be taken in a single day, but makes no guarantee that those proceedings will not be strictly timetabled so that they take less than an entire parliamentary day. The Government perhaps need to reconsider that point. I hope that there will be further reflection on that subject before we get to the subsequent stages of the Bill.

As the Minister said in her opening speech, we are debating the application in domestic law of two protocols in international law. The additional protocol was adopted by parties to the Geneva convention as long ago as 2005. That is true, too, of the optional protocol to the UN convention on the protection of United Nations and associated personnel, which was adopted by the General Assembly in December of that year. It is slightly odd that we should have had to wait from the end of 2005 until the spring of 2009 for the Government to decide finally to bring forward the legislation to give effect to their decision to sign and ratify those important pieces of international legislation.

I hope that when the Minister responds to the debate she will elucidate the distinction between the two conventions, which intrigues me. When we talk about the red crystal, we are talking about the ratification of the third additional protocol to the Geneva conventions, whereas in the case of the amendment to the United Nations convention on the safety of United Nations and associated personnel, we are talking about the ratification of an optional protocol to the original convention of 1994. I am no lawyer, let alone an international lawyer, and I am genuinely intrigued to hear whether the Minister can elucidate the distinction between an additional protocol and an optional protocol. That is not an academic inquiry. We need to be clear in our minds, when we enact the legislation, about whether the difference in title means that there is a difference in the legal effect of the two parts of legislative reform in the Bill.

Mr. Greg Knight: I wonder whether my hon. Friend could help the House. Who will decide whether the cross or the crystal is used? Will the Foreign Office have a list of sensitive souls who may be offended by the cross, and will it advise aid workers on when to use the crystal, or will someone on the field of battle make that decision? Does he know the answer to that? The Bill does not make it clear.

Mr. Lidington: No. That is a point that I want to come on to in a little while. My right hon. Friend asks a serious question. My understanding—I am sure that the Minister will correct me if I am mistaken—is that in respect of British servicemen and women participating in a humanitarian enterprise conducted under the auspices of the United Nations and falling within the scope of the optional protocol, it would be for the British authorities, or the appropriate commander, to decide what symbol was used. On the general use of emblems more widely than in United Nations humanitarian and other operations, I assume that the decision would be taken by the national society concerned, as it is now. In our case, that is the British Red Cross. It will be for the Red Cross and Red Crescent societies of various countries to decide the symbol, or combination of symbols, that they wish to employ.

Bill Wiggin *rose—*

Mr. Speaker: I call Jerry Wiggin.

Bill Wiggin: It is Bill, Mr. Speaker, but that is perfectly all right. My father would love to have been called. He longs to be back here, but it seems a prudent family decision that there should be one Wiggin in the House at a time. Thank you anyway, Mr. Speaker.

Does my hon. Friend the Member for Aylesbury (Mr. Lidington) agree with me that the Bill is not about deciding which symbol—a red cross, crescent or crystal—is used, but about making sure that legislation is in place to prosecute people who ignore that symbol? The Bill is about prosecuting people in the UK; that is why it applies to our Government. It therefore matters very much who decides whether our troops open fire on somebody displaying a diamond shape. Does he feel that the measure will really help British troops in their peace-making efforts, or could it simply add to the confusion in the heat of battle, thus putting British servicemen in the dock for trying to do the right thing, which they usually do?

Mr. Lidington: There are two elements to my response to my hon. Friend's question. As I understand the Bill, the provision will permit the use of the red crystal alongside or in place of the red cross and red crescent, and will therefore provide an additional symbol that will attract international protection and the respect for that protective function by means of criminal sanctions for those who breach it and for those who, in the terms of the original convention, make "perfidious use" of it—in other words, those who use the protective symbol when they are engaged in military or terrorist operations.

The Bill also provides protection in British domestic law against the use of the red crystal symbol for any purpose other than to designate a genuinely protective humanitarian body—in our case, the British Red Cross. So, as I understand it, the legislation would outlaw the use of the red crystal for any kind of business or commercial purpose. Again, if I am mistaken, I am sure the Minister will intervene or address the point in her concluding remarks.

My understanding is that the additional protocol concerning the red crystal has taken a great many years to negotiate and that there have been many false starts. I hope that when the Minister responds to the debate, she will be able to spell out in a little more detail exactly how the additional protocol will finally allow the vexed issue of the red star of David or red shield of David—I have seen both terms used—to be treated in future.

My understanding is that, under the additional protocol, the red star of David will not be treated as on a par with the red cross, crescent or crystal, in that its display will not automatically invoke the right to protection which those other symbols guarantee, but that it will be open to Israeli and, if they so choose, other humanitarian organisations to use the red star of David as an additional indicative symbol of their humanitarian purpose, so that, for example, an Israeli ambulance or relief lorry might travel into an area where there might be a threat of violence displaying the red star of David on the side of the vehicle, but with the crystal clearly displayed on the roof of the vehicle as a signal to aircraft that it was entitled to international protection. That is my understanding, having read the briefing on the Bill, but if the Minister wishes to correct me, I am happy to let her do so.

Bill Wiggin: I am curious about what sort of threat might come from the air to the Israelis, in particular.

Mr. Lidington: In any humanitarian operation, relief workers or troops escorting them are right to be alert to the prospect of attack from any direction, including from aircraft. If my hon. Friend looks into this, I think he will find that there have been occasions where there has been so-called friendly fire, where humanitarian vehicles have been attacked, deliberately or inadvertently, from the air. Clearly, the purpose of displaying the humanitarian symbols prominently is to deter and prevent any such attack.

Bill Wiggin: My hon. Friend is making the point beautifully. That is why I turned up this afternoon. If the air power in question is Israeli, which it will be, because there is no air force presenting any sort of threat to an Israeli humanitarian effort, surely the right sort of symbols will be the ones that are most familiar to Israeli pilots. That is true throughout the world. We all know why the red cross is so important. If we were combatants of any sort, we would want to be protected if we were injured. We need to make sure that the sort of people who would ignore that do not take part in such conflicts. Therefore putting a diamond shape on the roof of an Israeli truck to prevent Israelis from blowing up their own truck is unnecessary. They could stick with any sort of Israeli symbol for the red cross, whether it was a star of David, a red crescent or any other symbol. The provision is entirely unnecessary in that example.

Mr. Lidington: A new symbol, agreement on which has allowed the vexed question of the position of the Israeli and Palestinian humanitarian relief societies to be settled, and allowed them to become part of the global family of Red Cross and Red Crescent societies, is a compromise worth having.

Although my hon. Friend is tempting me into my other responsibilities as middle east spokesman, I will not go down that track too far, but I shall respond to the point that he made. If I can look forward to the future of the middle east with greater optimism than he was able to voice in his question, perhaps we could see a day when Israeli vehicles participated in UN multinational humanitarian operations. If the legal framework that we have provided for in the protocol and now in the Bill makes it possible for that to happen, that is a constructive step.

I have two other questions to the Minister about the use of the red crystal—

Mr. Chope: Before my hon. Friend moves on to that point, can he give me some assurance that the red shield of David, which was specifically outlawed following the 1949 diplomatic conference, will not be brought back into the equation?

Mr. Lidington: It is for the Minister to give a detailed response to my hon. Friend's question. My understanding is that it will be possible to use the red shield as an indicative symbol, but that it would not have the status of a protective symbol. It would have to be used alongside the red crystal, which would have to have the greater prominence, particularly on the roofs of buildings or vehicles, in order to make sure that that protected status was understood.

Mr. Chope: In that case, does my hon. Friend share my concern that the provision is an unnecessary complication? We are talking about introducing a third symbol, the crystal, but he seems to be saying that notwithstanding that, the Israelis and other countries will carry on using other symbols as well.

Mr. Lidington: That is a complication, but it is a necessary one. The more I delve into the politics of the middle east, the more I find the need for unavoidable complications. One's wish that the world were simpler is very often defeated when looking at that region.

My second question to the Minister about the red crystal concerns its relationship with the red cross and the red crescent. I heard her say that the intention was that the crystal should not displace those traditional symbols, and I know, too, that in terms of indicative domestic use it will be a matter not for the Government, but for the British Red Cross to decide how to use the symbols in this country. However, I want to put on the record my strong hope that it will not use the opportunity provided by the inclusion of the red crystal in the list of protective symbols to go down the route of saying, "Let's have that instead of the red cross."

The British Red Cross and the International Committee of the Red Cross do a first class job. However, the one thing that I find niggling about the British Red Cross from time to time is its neuralgia about even the slightest reference to religion—right down to banning Christmas cribs from the windows of its charity shops. That is

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unnecessary; I do not think for a moment that such displays bring its impartiality into question. I hope that it will stick to a tried and trusted symbol that the overwhelming majority of the British public respect and value, regardless of their ethnic and religious traditions. The symbol is also regarded with great pride by the army of volunteers and fundraisers who have participated in the work of the British Red Cross for so many years.

My final comment about this element of the Bill takes me to the point raised by my right hon. Friend the Member for East Yorkshire (Mr. Knight) about the Human Rights Act 1998. As I understand it, the Bill prohibits the use of the red crystal for any business or commercial purpose. I would like an assurance from the Government that they truly did their homework on that issue before bringing the Bill to the House. Can the Minister say in terms that the Government have checked that they will not be knowingly extinguishing the patent rights of any individual or company, and that the Bill will not suddenly cripple the trade of some small business that has been innocently using the red crystal as a marketing device or a symbol of its corporate image for many years, only to find itself overtaken by this legislation?

Clause 2 deals with the optional protocol to the convention on the safety of United Nations and associated personnel. In terms of British law, we are talking about an amendment of the United Nations Personnel Act 1997. The amendment is designed to address the fact that the protection given by the current convention is fairly narrow. However, articles 1 and 2 of the original convention show that the definition of a United Nations operation is tightly drafted. To qualify for the protection of personnel, the operation has to be

"for the purpose of maintaining or restoring international peace and security; or...Where the Security Council or the General Assembly has declared, for the purposes of this Convention, that there exists an exceptional risk to the safety of the personnel participating in the operation".

Clearly, that phraseology rules United Nations humanitarian assistance and relief operations outwith the scope of the original convention. Although it could be argued that there is a safeguard in the reference to the power that the Security Council and General Assembly have to declare that there is an exceptional risk to the personnel participating in the operation, I believe that there have been only about four occasions since the convention came into force when that saving clause has been applied in practice.

Everyone is clear and agrees that there are plenty of United Nations operations that do not qualify for protection but ought to. I gladly join the tribute paid by the Minister to the courage of military personnel and civilian workers who work under the United Nations banner in the most difficult circumstances, trying to bring aid and humanitarian relief to people in desperate straits and often in the midst of the most savage conflicts in different parts of the world.

The Bill is extraterritorial in scope; it creates offences in the United Kingdom in respect of offences committed elsewhere in the world. Section 1 of the United Nations Personnel Act 1997 defines the offences as ones committed outside the United Kingdom. One detail that troubles me is that the Bill does not seek to amend the list of criminal offences included in sections 1 and 2 of the 1997 Act. I am sure that the Minister knows only too well that since 1997 there has been a long series of criminal justice Acts. We have seen the creation of a long list of new offences and the redefinition of others. I am therefore genuinely puzzled about why the Bill does not seek to amend the list of offences in sections 1 and 2 of the 1997 Act, to bring that Act up to date. New terrorism offences have been created and I would have thought that they would apply to the Bill, especially as the terrorism legislation brought in by the Government specifically includes offences committed overseas and not just those committed here. Why has there been no amendment to the original list of offences in the 1997 legislation?

My second area of questioning is about the definition of United Nations operations. The Bill amends the definition of a UN operation to add in the category of

"delivering humanitarian, political or development assistance in peacebuilding and delivering...humanitarian assistance."

We deserve more detail from the Government about what is meant by "peacebuilding". The original UN convention carefully defines peacekeeping operations. There was much argument and debate among the members of the United Nations before agreement was reached on the precise wording of the optional protocol. It would help us to understand the reference to "peacebuilding" if the Minister filled us in later about what happened during those negotiations and about what the member states of the UN had in mind collectively when they agreed on the use of that term.

Thirdly, I would be grateful if the Minister could explain the reasoning for the opt-out that is explicitly included in clause 2(4) in respect of operations to deliver emergency humanitarian assistance in response to natural disaster. I know that the Government have simply imported it; it is an opt-out that is included in the text of the optional protocol. What are the reasons for that opt-out? I simply cannot understand why any country in any part of the world should think it necessary to disapply the protection of international law from people who are working on behalf of the UN to deliver emergency humanitarian assistance following an earthquake or some other natural disaster.

We had a fairly recent case of that; as I understand it, one reason that people became so dissatisfied with the tight definitions of the convention was that it failed to offer protection to the relief workers who supplied food, medicines and emergency accommodation to the victims of the Boxing day tsunami a few years ago. The optional protocol and the Bill that implements it would appear to provide an opt-out that any country could exercise, applied to its territory, when people were sent in to respond to just such an emergency. I do not understand the logic of any country's seeking to have such an opt-out.

It seems to me that there are still some problems with the definition of UN operations, because, even with the additions proposed in the Bill, they basically remain the same as those set out in articles 1 and 2 of the convention. Let me give a few illustrations of those outstanding problems. The Foreign Affairs, Defence and Trade Committee of the New Zealand Parliament, which investigated the optional protocol, pointed out that the original convention

"only covers United Nations operations, and"—

this seems to me to be the important point—

"excludes regional peacekeeping operations or peacekeeping operations authorised by the Security Council to be conducted under national or regional command and control."

That is a significant lacuna in the optional protocol and therefore, presumably, in the scope of the Bill.

We are now in a world where the UN in Sudan is seeking to work in concert with regional organisations. In the future, the UN might wish to work together with or to give authority to the African Union or other regional bodies to co-ordinate and lead both peacebuilding and humanitarian operations in particular parts of the world. If the concerns expressed by the New Zealand Parliament are correct, we have a gap in the protection we are offering to the people involved in such operations. That might be the product of a diplomatic compromise that was necessary to obtain agreement on the protocol, but I would be grateful for some further information on that point, especially given that the New Zealand Parliament concludes:

"The majority of casualties continue to be among personnel serving in operations not covered by the automatic application of the Convention."

Another criticism was made by the international lawyer, Mr. Huw Llewellyn, who is quoted at length in the helpful research paper provided by the House of Commons Library. He said in an article published in *International and Comparative Law Quarterly* in July 2006:

"Emergency humanitarian assistance operations established by autonomous organizations within the UN system and by the Specialised Agencies do not fall within Article II(1)(b)"

of the optional protocol because

"They are not established by UN Charter bodies"

and the protocol makes specific reference to the charter. Mr. Llewellyn also pointed out:

"for example, operations established by the Food and Agriculture Organization (FAO), or by the World Health Organization (WHO) would not be within the scope of the Protocol."

So those organisations would not be within the scope of the Bill, either.

Mr. Greg Knight: Surely my hon. Friend is highlighting a very good reason why the remaining stages of the Bill should be continued on another day so that he can table amendments to deal with that very issue.

Mr. Lidington: My right hon. Friend makes the good point that those are precisely the sort of issues that we ought to be able to explore with probing amendments and proper time allowed for debate and detailed ministerial response point by point, rather than today's debate being truncated by the use of a guillotine.

Mr. Simon Burns (West Chelmsford) (Con): Does my hon. Friend think that the problems he has highlighted in those examples arise from a drafting error on the part of someone who has not thought the issue through or does he think they convey the true intention behind the legislation?

Mr. Lidington: My hon. Friend asks a perfectly serious question. I do not know the answer. I suspect that it is not a drafting error, because it seems to me that the Bill closely reflects the words of the protocol. I would expect that the gaps in the protection are the product of the diplomatic wrangling that was needed to get the UN General Assembly to agree to the optional protocol. It is worth further exploring that point, but of course I understand the diplomatic dilemmas that our Government might have faced in deciding that they had to settle for half a loaf when they might have wanted something rather more ambitious.

Mr. Burns: Does my hon. Friend agree that however laudable it is to accept half a loaf rather than no loaf, it waters down and hampers the general intention behind the legislation?

Mr. Lidington: That is certainly the case. My hon. Friend and I have learned from our years in this place that one sometimes has to settle for half a loaf or even less and that one advances little by little towards the state of affairs that one hopes to achieve.

My final set of questions about this element of the Bill concerns the practical impact that it might have on existing UN operations. I am clear in my mind that the Bill is binding on British domestic law in respect of offences committed against UN and associated personnel overseas provided that those operations come within the scope of the original convention or the optional protocol. I am not altogether clear about which current UN operations would be covered by the Bill. Some UN operations are extremely controversial and could give rise to some tricky issues of litigation here.

We all watched with horror some of the events in Gaza in recent months. When, a couple of weeks ago, I met Mr. John Ging, the head of the United Nations operation in Gaza, he told me about shelling that had damaged his headquarters building in the Gaza strip. He also told me about military operations in the near vicinity of schools, or attacks on schools, run by the United Nations. I am deliberately trying to keep my language as neutral as possible because there are conflicting accounts of what happened, who was responsible and whether those actions were deliberate or inadvertent, or were in response to attacks on troops.

The basic point is that the Bill creates new offences in British domestic law in respect of attacks on UN and associated personnel operating overseas. If Gaza, to take the most obvious recent high-profile example, is covered by the scope of the additional protocol and the Bill, it surely follows that allegations could be made in the United Kingdom against individual Israeli political or military leaders. I note that the Bill provides a safeguard in that the Attorney-General must give permission for a prosecution to take place. However, one can well imagine that it would be an extremely controversial decision either to initiate or to deny such a prosecution given how the Bill represents and embodies our commitment to the United Nations and to the duty to protect all its personnel.

Mr. Chope: What troubles me about my hon. Friend's comments is that they might be interpreted as suggesting that it is more dastardly to kill children who are in a United Nations-sponsored school than in any other school. Surely he is not suggesting that.

Mr. Lidington: No, I am not. The Bill gives particular protection to United Nations and associated personnel; other civilians are covered by the duties of protection that are guaranteed under more general international

[Mr. Lidington]

law, with which my hon. Friend is familiar. The Geneva conventions and the other forms of humanitarian protection that have been agreed between nations continue to apply. The Bill and the convention protocol on which it is based give additional protection to UN personnel in recognition of the particular duties that they carry out on our behalf.

Rob Marris (Wolverhampton, South-West) (Lab): Would not those protections extend to dissuading Israeli defence forces from murdering UK citizens who are part of a UN peacekeeping force in that part of the world, just as, for example, Israeli defence forces murdered the UK citizen Tom Hurndall?

Mr. Lidington: The hon. Gentleman makes his point forcefully, and the Minister and Members will have heard what he says.

It is disappointing that more than 10 years after the convention was adopted, fewer than half the member states of the United Nations have signed up to it. Does the Minister have reason to believe that the addition of the optional protocol will encourage more states to become parties both to the original convention and to the protocol? That would be encouraging. I hope that she can also clarify whether the offences created in the Bill exist only in respect of acts committed on the territory of a country that is a party to the protocol and to the convention, or whether those offences are more strictly defined so that if an attack that qualified under the Bill as a criminal offence took place on UN personnel in any country of the world, the individuals responsible could be brought to justice here. That is an important point that we need to understand not only in appreciating the virtues of the Bill but in judging its practical efficacy in the immediate future.

I am sorry to have detained the Minister for so long with detailed questions, but I wanted to take this opportunity to probe some of the details of the Bill, which, after all, creates new criminal offences that are binding on all our citizens. However, I strongly support the principle of the Bill, and I will support it if we vote on it.

1.56 pm

Jo Swinson (East Dunbartonshire) (LD): I should like to add the Liberal Democrats' support for the Bill. I am pleased that the cross-party consensus seems to be that it is the right way for the Government to go. I do not think that I need detain the House for three quarters of an hour in order to put my views across and ask a few questions that I hope that the Minister will be able to deal with in her summing up.

I echo the commendation that the Minister and the hon. Member for Aylesbury (Mr. Lidington) gave to the British Red Cross for the service it has provided in the 100-plus years of its operations. It is wonderful to see such an institution with such a long and successful history—the International Committee of the Red Cross has an even longer history of nearly 150 years—doing incredibly important work. The need to protect medical workers and respect the International Federation of Red Cross and Red Crescent Societies wherever it is operating is absolutely universal, and I am sure that nobody would disagree with the requirement to do so.

One learns something new every day, as the adage goes, and I certainly did so when I read the *Hansard* report of the debate in the Lords, which the Minister outlined. I was surprised to learn that the origin of the red cross was a reversal of the Swiss flag as a symbol of the neutrality of Switzerland. It must be recalled that despite it being called the red cross, it is not a religious symbol—although, sadly, it has been taken to mean that in some circumstances. The difficulties that have arisen with the red cross and the red crescent being perceived as symbols that are not neutral have led to the need to adopt a new symbol. The adoption of the red crystal is a sensible way forward in such sensitive areas, although it is sad that that choice may have to be made.

I welcome the Minister's confirmation that the Foreign Office's default option—I hope the same applies to the British Red Cross—will be to continue to use the red cross, which is most familiar in this country in terms of brand recognition. There must, however, be flexibility so that a crystal can be used too, ensuring that it is entirely clear that the medical aid is neutral.

Mr. Burns: In what circumstances does the hon. Lady envisage the red crystal being used instead of the red cross?

Jo Swinson: I understand that it has already been used in several war zones where it was felt that the red cross or the red crescent might be perceived as religious symbols rather than neutral medical symbols. Although that might be regrettable, it is sensible that we ensure that an alternative symbol can be used. There has been discussion about who should make that decision, and the Minister has already stated that the default would be the Red Cross, but that decision has to be made by those on the ground who are able properly to assess the situation and any sensitivities.

Clause 2 calls for additional protection for those who do vital and dangerous work. We should salute those who courageously do an incredibly difficult job in providing a service to us and to the whole international community. Legal protection for UN personnel on peacebuilding and emergency humanitarian work is long overdue. Unfortunately, with the deliberate targeting of humanitarian and UN personnel in recent conflicts, it is more needed than ever.

I should like the Minister to clarify a point that was made today, and in the other place. My noble Friend Baroness Northover asked whether missions of sister organisations—the World Health Organisation or the Food and Agriculture Organisation—in conflict areas would be included. The Minister's summing up in the other place suggests that any UN agency would be included and that any agency undertaking work with the UN under that umbrella would be included, but that humanitarian agencies would not. The hon. Member for Aylesbury suggested that the WHO and FAO would not be included, so clarity from the Minister would be helpful.

Mr. Hugo Swire (East Devon) (Con): I agree with a lot of what the hon. Lady is saying. Does she think that, historically, sufficient sanctions have been taken against those who have abused the Red Cross—or, most recently, those who abused the United Nations Works and Relief Agency in Gaza? What does she think can be done to beef up that process beyond what is in the Bill?

Jo Swinson: I would certainly agree that sanctions have not been effective enough. Indeed, I was just about to say that it is all very well passing a Bill, but if the protection is available but is not used we are providing words rather than action. It is important that legislation is available and provides a first step, but the international community needs the political will to act against breaches. In the recent events in Gaza, the UN gave all the co-ordinates of its facilities to the Israeli authorities, but it still ended up being bombed, and that clearly requires an international investigation.

The difficulty with organisations such as the UN is whether independent investigations will be subject to a veto. Where there is evidence that war crimes might have occurred, I strongly feel that they should be investigated and people held to account, regardless of what country they are from or, indeed, in what country the offences were committed. Legal protection does not solve the problem, but having it on the statute book helps to provide a deterrent and gives us the tools to pursue justice. However, there must be the political will to pursue that justice.

Mr. Chope: If a deterrent is to be effective, surely there has to be an effective sanction against non-compliance. Are we not in danger of engaging again in gesture politics, where the substance does not follow what we are saying?

Jo Swinson: The hon. Gentleman will know that getting agreement in international organisations is not easy—it is an art rather than a science. I hope that our passing this Bill will send a message to other countries and encourage them to ratify the protocols, but that does not automatically mean that international organisations will work as perfectly as we want. However, that is not an argument for not giving the Bill a Second Reading, or for the Government not to propose legislation. If the Government are encouraging other countries to sign and to ratify the protocols and the initial convention, as I hope they are, their task will be made a bit difficult if they have not ratified them.

When we talk about the protection of UN personnel under the Bill, we are talking about UN personnel in the UK, where we hope there would never be the sort of problems to which the Bill applies. The message that this Parliament sends will give us the basis on which we can, through our diplomatic efforts, encourage other countries to sign and ratify. I hope that the Minister will update the House on the current situation; I understand that 87 countries ratified the original convention, but that 34 had signed and 16 had ratified the protocols. Those were the figures given in the other place in January. Two months on, it would be interesting to know whether the figures have increased, the number of ratifications needed for the protocols to come into force and how far away we are from that.

The Minister said that the Government signed the protocol in 2005, yet four years later we are finally scrutinising the legislation. It is not exactly the weightiest measure for which the Government have needed to find parliamentary time, so I find it difficult to understand why it has taken so long. Given that the red crystal has been in use since 2007, it would be helpful if the House had put things in order beforehand. I should like the Minister to outline the difficulties.

Lord Malloch-Brown wrote a letter to my noble Friend, Lord Wallace of Saltaire, in which he seemed to suggest that even when states had failed, international courts might be able to uphold this law. I wanted to press the Minister on how that could be the case if the states in question had not ratified the protocols. Clearly, some of the states we most want to ratify the protocols are those for which the issue might not be top of the agenda. Any information on the Government's efforts to encourage them would be welcome.

Finally, much as I welcome additional legal protection for UN personnel, we need to remember non-governmental organisations, such as Oxfam, Médecins sans Frontières, Save the Children and so on. Other humanitarian agencies are delivering aid and relief efforts but will not be protected. A lot of those organisations work in conflict zones where even the UN has pulled out, deeming it too dangerous to work. I hope that the Government will pursue legal protection for aid workers who work in a neutral capacity, providing humanitarian assistance and not getting involved in the politics of individual countries. On 11 March, three staff were kidnapped from Médecins sans Frontières in Darfur, and I am sure that the whole House hopes they will be safely returned. Attacks against humanitarian workers can never be justified, but we should be concerned that our valued international institutions are sometimes regarded with hostility. It is incumbent on all of us, particularly the Government, to do everything possible to uphold the United Nations and its partners as just and non-partisan.

I hope that the Minister will address my points, and I am delighted to support the Second Reading of the Bill.

2.7 pm

Mr. Charles Walker (Broxbourne) (Con): Thank you for calling me to speak, Madam Deputy Speaker. I am delighted to be here today, supporting the Red Cross. Let us remember that the Red Cross wants the new international sign of the red crystal to protect its operatives in the field. It is wonderful to reflect at this time of huge global tension that the Red Cross operates to the highest ideals possible. We live in times when we have to be religiously sensitive—and when the cross and the crescent can unintentionally ignite religious passions—but the Red Cross is free of any ideology. When people are in need, it does not question who they are, their reasons for being on a battlefield, or their reasons for being in that location—it offers help at the direst time of need and emergency.

We live in dark and dangerous times. The Red Cross was founded nearly 140 years ago, but the need for the Red Cross, the Red Crescent and the derivatives of those organisations is greater than ever before. We have a number of global conflicts, in places such as the Congo, Sudan, Afghanistan and Iraq. There are numerous flashpoints in the middle east, where aid is needed daily. We also have the spectre of global climatic events impacting on people living near sea shores. A few years ago the tsunami laid waste to large parts of Asia. Again, the Red Cross was at the forefront of delivering aid. The need is greater than ever, and if the Red Cross believes that it needs a new global symbol to protect its people in the field, it should have our full support. I am pleased that there seems to be a consensus about that today, as there was in the other place.

[Mr. Charles Walker]

We must examine the Bill carefully to ensure that it is as good as it can be. I have one concern, which I think many Members will share. The red crystal will come into force, and I imagine that our troops whom we send to far-flung parts of the world will understand exactly what it means very early on. They will be educated to recognise it. But will people in the Congo, for example, understand what the red crystal is? We will be dealing with youngsters who have had no formal education at all, as they have been denied it. They are taken from their homes, conscripted into youth armies and brutalised. What will the red crystal mean to them? Will it offer any protection to those who fly the flag? Terrible events are also unfolding in Swat valley in Pakistan.

Mr. Greg Knight: Surely in the scenario that my hon. Friend paints, another symbol would be used. Does he not think that the Foreign Office would have a list of countries where it is most appropriate to use a different symbol, and that the UN would be guided accordingly?

Mr. Walker: My right hon. Friend makes an excellent point, and that is why Parliament has such an important role to play through the Bill. When concerns are raised, parliamentarians turn their attention to addressing them, and I hope that the most appropriate symbol will be used. We have a duty to ensure that the brave men and women who go into dangerous places get the maximum possible protection. That is an absolute, and we must never shy away from trying to ensure it.

Mr. Swire: My hon. Friend is, of course, entirely right about the proliferation around the world of events at which the Red Cross or its derivatives are needed. Does he share a corresponding concern about the abuse of the symbols in the countries where those events are taking place? I understand that under the existing 1957 legislation, unauthorised use of the emblem is punishable by a fine up to level 5 on the standard scale, which is currently £5,000. I do not know whether he knows how many times that has been enforced, but does he regard that as a sufficient penalty?

Mr. Walker: The penalty sounds very small and out of date, but as my hon. Friend will know, we can have all the penalties in the world, but if they cannot be enforced they amount to absolutely nothing. In response to the intervention by my right hon. Friend the Member for East Yorkshire (Mr. Knight), I point out that there are too many parts of the world where the Red Cross and the Red Crescent are abused, and where people no longer respect the mission of those brave organisations. Like many other Members, I have read the Library briefing and watched the news. Unfortunately, brave men and women working tirelessly for the benefit of others under the flag of the Red Cross or the Red Crescent are losing their lives.

My hon. Friend the Member for East Devon (Mr. Swire) will know, as he is a former soldier, that the battlefield is a dangerous place to be. We see that week in and week out, when we hear of journalists and other non-combatants being killed. Deliberate attacks on people flying an international symbol of aid and help must no longer be tolerated. The Liberal Democrat spokesman, the hon. Member for East Dunbartonshire (Jo Swinson), touched on the fact that when people working for the Red Cross come under deliberate attack, there must be global indignation and those responsible must feel the full weight of global law fall upon their shoulders.

Mr. John Hayes (South Holland and The Deepings) (Con): I am sorry that I was not here at the outset of the debate, but I have thus far followed it with interest from a distance, and I have read all the materials provided. My hon. Friend talks about indignation, but that must find its form in the appropriate reaction of Government. If they do not take a lead on these things, he is fanciful in expecting others to do so in their place. The Government must take a lead, and there is not much evidence that they are.

Mr. Walker: I shall be more charitable than my hon. Friend to the Government, because I think that there is a desire and a mood in all parties to provide the necessary protection to men and women operating in the field under the red cross and the red crescent. However, my hon. Friend makes a valuable point. Today, we have the G20, and 66 per cent. of the world's population is represented by the global leaders who are in London. The economy is absolutely critical and deserves their attention, but they should also focus on how to alleviate the suffering of the hundreds of millions of people who are living in war-torn parts of the world. I mentioned the Congo earlier, and it is outrageous that more than 6 million people have been allowed to perish there. How many more would there have been without the Red Cross?

Madam Deputy Speaker (Sylvia Heal): Order. I have been pleased to hear the hon. Gentleman relating his remarks and concerns to the Bill, and I hope that he will continue to do that.

Mr. Walker: Thank you, Madam Deputy Speaker.

How many more would have perished without the Red Cross, and how many more would be suffering? The organisations, guerrilla groups and people who wilfully attack the Red Cross must be brought before a court of international law and tried. If convicted, they must serve time in prison for their crimes against not just the Red Cross but humanity.

I conclude my short speech by paying tribute to those who work for the Red Cross and Red Crescent. They are ordinary men and women who do extraordinary things. We normally hear about them only when a tragedy occurs, but day in and day out they bring aid to parts of the world where there are unimaginable levels of suffering. We in this House need to do as much as possible to ensure that the Red Cross and its people can continue to deliver on their mission, and I am pleased that the Bill is before the House today and that we are supporting the Red Cross in its aims and objectives.

2.17 pm

Bill Wiggin (Leominster) (Con): May I say how nice it is to see how many colleagues are present who also served on the Apprenticeships, Skills, Children and Learning Public Bill Committee, including the Government Whip, the hon. Member for Brent, South (Ms Butler), who unfortunately cannot speak for herself today?

I begin by welcoming the tireless efforts of the humanitarian personnel who act selflessly to save lives and alleviate suffering. Humanitarian workers operate in the most hostile and dangerous parts of the world and show compassion and bravery that, along with the character of our armed forces, is unparalleled. We must of course do what we can to protect them and ensure that those who risk their lives are reassured of our support.

However, emblems and conventions may not be enough. It saddens me that in recent years there have been many examples of humanitarian workers being harmed and killed, often in the most callous and brutal ways. I am concerned that those involved in the conflicts in which the UN and humanitarian personnel are engaged are already failing to respect the existing laws of war and morality. Whatever we legislate for in this Parliament, and across the world in other decent and democratic countries that respect the laws of war and the Geneva conventions, that does not mean that others will necessarily extend the same protection and respect. There are immoral people in conflict zones across the world who show utter disregard for the laws of war. They make no distinction between those acting in a humanitarian capacity and military personnel, who may be viewed as being legitimate targets.

A number of high-profile examples have been brought to my attention that highlight the need for the international community, the United Nations and other international organisations to take action against those who refuse to be bound by the letter and the spirit of the conventions.

In October, we were all horrified by the actions of the Taliban gunmen who brutally murdered three women aid workers, including one Briton, 40-year-old Jacqueline Kirk. The aid workers were ambushed by gunmen 30 miles outside Kabul in the province of Logar, while travelling from Gardez in the east of Afghanistan to Kabul. The gunmen ignored the laws of war and did not feel bound by conventions. Ms Kirk and her colleagues were working for the International Rescue Committee. They were not soldiers, part of the coalition of the willing or there to wipe out the Taliban—that is the job of our soldiers. Ms Kirk was there to support innocent civilians. She had no knowledge of warfare, but expertise in children's education programmes. The Taliban gunmen did not care. Their spokesman went as far as to claim that they attacked the vehicle in which Ms Kirk and her colleagues travelled because it was carrying military personnel, "most of them women." He added to the Associated Press by phone:

"They were not working for the interests of Afghanistan and they belonged to those countries whose forces... took Afghanistan's freedom."

Although the introduction of the red crystal symbol is welcome, I do not believe that the Taliban would show it any more respect than it has shown existing aid workers. It is not clear that the red crystal would have protected the five international aid workers who were kidnapped or held hostage in Afghanistan in the first half of 2008, or the dozens of Afghan aid staff working daily for non-governmental organisations.

There are other examples of aid workers being brutally attacked and mistreated in conflicts. Sadly, the case involving Ms Kirk is not a one-off, but an all-too-regular occurrence. In 1996, three International Committee of the Red Cross relief workers were killed in Burundi, despite travelling in a vehicle that was clearly marked with the red cross emblem. Four ICRC staff were killed in south Sudan by the Sudan People's Liberation Army in 1999—they were abducted in February and executed a few weeks later in April. In the Democratic Republic of the Congo in 2001, two vehicles clearly marked with the red cross emblems were attacked, resulting in the deaths of six ICRC workers. The co-pilot of a Red Cross plane was killed after his plane was shot down in Sudan in 2001. Peace activist Ken Bigley was brutally beheaded in Iraq. In March 2007, a German aid worker was shot dead by gunmen in northern Afghanistan. In July 2007, two South Korean aid workers were shot dead. Suicide bombers in Iraq have attacked ICRC headquarters. In February, two aid workers for French organisation Aide Médicale Internationale were ambushed and shot dead south of Darfur. Only last week, a 39-year-old Sudanese relief worker was shot by gunmen in Sudan, who were attempting to steal a satellite phone facility. In Sri Lanka, a CARE International humanitarian worker was killed in a no-fire zone in the Vanni area in the north.

The Agency Co-ordinating Body for Afghan Relief—ACBR—has reported that there was a 50 per cent. increase in insurgent attacks in 2008 compared with the previous year. Those actions and the contempt that some show towards humanitarian workers and the emblems under which they act undermine efforts to bring peace to areas of conflict.

Mr. Chope: The ghastly list that my hon. Friend has read out will cause everybody much concern, but to what extent have the perpetrators been prosecuted?

Bill Wiggin: I do not think that there have been any prosecutions. The Government's efforts in the legislation enable British people to be prosecuted, but not the perpetrators of the atrocities. Although it is right to have the legislation in place here, I emphasise that no one has been punished for the atrocities.

Mr. Swire: Let me repeat my earlier point. Although it is important that the international community comes down hard on those who ignore the symbols—incidences of that have unfortunately increased of late—it should also come down hard on those who misuse the symbols in times of war. Does my hon. Friend agree that existing provisions for fines and so on are woefully inadequate unless they are enforced, and also, as they stand, inadequate law?

Bill Wiggin: I agree with my hon. Friend—I usually do; he is very wise—but, tragically, enforcement is not possible. Aid workers are needed and they go into those areas because there is lawlessness, no enforcement and humanitarian need. Food for the world exists; bad governance means that it does not get to the people who need it most.

Mr. Burns: Is not it a sad fact of life that the legislation could include as harsh a punishment as one wanted, but many areas are so lawless and experience such a breakdown of law and order that, unless one catches the perpetrators of the atrocities, little can be done?

Bill Wiggin: My hon. Friend is right. However, all that should not stop members of the ICRC making the sacrifice, taking the risk and putting themselves in

[Bill Wiggin]

danger to deliver humanitarian aid because that is what they do, and we should support them. It is sad that whatever we say and do here is unlikely to have an impact. I hope that I am wrong, but I fear I am not.

We must do what we can to ensure that vital aid and resources get to innocent civilians who need it. In Afghanistan, our aid workers and those who wear the respective red cross, red crescent and red crystal emblems would have their safety and the security in which to operate and carry on with their tremendous work strengthened if the Taliban were further weakened. That means that our military personnel must receive the right equipment to ensure that they can do their job to the best of their abilities. It also means that the many other countries that have an interest in peace and security in Afghanistan, including members of NATO and the EU, commit their fair share of military resources to that conflict zone. By improving the security situation on the ground for aid and humanitarian workers, we can reduce the dangers posed to them and the threats and brutal actions of those who show no regard for the emblems that we are debating today.

When my constituents donate money to the Red Cross or to Oxfam, they expect their aid workers and the operations that they fund with their contributions to be protected. When our constituents decide to become aid workers, often as volunteers, while aware of the risks, they nevertheless expect that the purpose for their presence in conflict zones affords them some protection. People support aid agencies because they want to see them bring kindness and good to parts of the world where conflict has turned lives upside down and left innocent civilians—men, women and children—with little or nothing.

Whether in Palestine, Sudan, Afghanistan, Somalia or Iraq the work that humanitarian workers and aid agencies undertake needs to be supported. I therefore press on the Under-Secretary the importance of taking the appropriate steps to ensure that those who disregard the laws of war and deliberately bring harm to aid workers are brought to justice and do not undermine the great efforts taken to support civilian populations.

We also need to know from the Government that, aside from the introduction of the red crystal, more is being done to protect aid workers. How can we guarantee protection for our aid workers and humanitarian personnel when there are people in conflict areas prepared to disregard the rules of warfare, morality and decency? In lawless Somalia and large parts of Afghanistan, the conventions may carry little force or protection. Delivering further measures to protect humanitarian workers through the amendments to protocols and introducing a new emblem may look adequate on paper, but their true test will be seen in the conflict areas.

The Geneva conventions and the protocols relating to UN personnel are not only designed to protect aid and humanitarian workers and civilians. The Geneva conventions were originally established to provide protection to wounded soldiers and military personnel—to ensure that those who need help and medical aid are given it.

My constituency is home to the finest soldiers anywhere in the world. Their record of achievement and their skills are unparalleled anywhere in the world. They are the bravest and they are the best. As with aid workers, however, when our soldiers are wounded in battle, there are those in some conflict areas who will not abide by international conventions. How confident can we be that our injured soldiers will be afforded the same rights, the same dignity and the same care by the enemy as those whom we capture are? When the Taliban or the insurgency in Iraq capture our soldiers, abiding by international law and those conventions does not appear to be at the forefront of their thoughts. The best way we can protect our military personnel in some conflict zones is not necessarily by relying on the enemy to observe international law, but by providing our personnel with the equipment and resources they need to protect themselves.

Our efforts to promote international law and those conventions are, however, undermined by some of the actions in which this Government may have been involved. The Government's alleged complicity in acts of extraordinary rendition and the recent allegations made concerning torture are deeply worrying. We cannot go around lecturing others about international law and protecting civilians when there are questions that the Government may have to answer about not upholding such rules themselves. Such matters must be resolved to restore this country's credibility. The UK has a proud tradition of upholding and promoting international law. This Government must not be allowed to undermine it.

2.31 pm

Mr. Adam Holloway (Gravesham) (Con): As I understand it, the Bill has two objectives: to amend the Geneva Conventions Act 1957 and to amend the United Nations Personnel Act 1997. That is extremely relevant. Only a few weeks ago, I was with my hon. and gallant Friend the Member for East Devon (Mr. Swire) in Gaza, looking at, among other things, the enormous damage done to the UN compound in Gaza city and hearing about the deaths of about a dozen UN personnel during the recent conflict there. Also, as a television reporter at ITN, I spent considerable time in Bosnia, where I saw the importance of UN organisations operating effectively and saving many lives. I am therefore acutely aware of the need for both unambiguous markings and the protection of personnel.

The first aim marks a new stage in the use of protective and distinctive emblems to cover the work of people who bring relief to the victims of battle, whether civilian or military—the scenes are all too familiar on our television sets. The legislation does that by introducing and legalising the new additional emblem, which is intended to be both protective and indicative, being marked on vehicles and on the armbands and uniforms of personnel in the field. As we have discussed, the legislation also covers penalties for the misuse or abuse of the new symbol and, as I understand it, the existing symbols.

Mr. Swire: Does my hon. Friend share my slight concern that the new symbol could be mistaken for a military marking?

Mr. Holloway: My hon. Friend raises an interesting point, which I shall come to a little later in my speech, but I absolutely agree. The first time that I saw the symbol, it took me back to the platoon commander's battle course at Warminster and the sort of markings

that people might put on maps in an operations room, as well as the sort of markings used for directing military convoys. My hon. Friend makes an interesting point to which I shall return.

The second aim is to strengthen the safety of the UN and associated personnel by extending their legal protection against attack in a wide range of operations. Both those aims are obviously thoroughly commendable and, as has been said, extremely relevant to the modern world. The bravery of those who work under those badges and emblems of neutrality and mercy is clear; they do a fantastic job. I strongly support the aims, but I have a number of questions for the Minister, which I hope that she can answer. The expansion of symbols from the simple red cross to the red crescent comes down to us from the 19th century, as she has said. We have also heard that at one point there was the red lion and sun for the Persians, and I think that there was even a red flame at one time for Thailand. All manner of religious and ethnic concerns have been reflected by such symbols.

Let us remember, however, that the original red cross was never intended to be a religious symbol. As the Minister has said, it was simply the reversal of the Swiss flag, which is a white cross on a red background. The red cross became the emblem of that precious and nowadays abused concept of true neutrality. That was a long time ago, but this is where we are today. If the cross and the crescent have served us so well, I do not really see the reasoning for the new symbol.

Mr. Hayes: My hon. Friend might be understating the risk. It is true that part of that risk lies in confusion of the type that he has described, which might arise. However, the history of the subject, which he will have looked at in some detail, shows that it has previously been suggested not simply that there should be one or two more symbols but, as he has implied, that there should be a multitude of symbols. Indeed, it has been suggested in debates on such matters since the 19th century that each nation might have its own symbol. That would lead to a disaster, whereby the universality that he has described would be lost for ever.

Mr. Holloway: That is an interesting point. Indeed, my very next line is about whether the essential quality is in any way weakened or diluted by a third or more symbols.

Mr. Burns: I have been listening carefully to my hon. Friend. Does he accept that if one were to have too many symbols, it would dilute recognition and understanding? To answer an earlier point, it may well be a problem for Jewish people from Israel to have a red crescent and, possibly, a red cross. It may also be a problem for Hindus in India to have a red crescent or a red cross. Surely the way forward is to have a third, all-embracing symbol for those cultures and peoples who find Christianity and Islam not acceptable, but not to dilute it by having regional, religious or ethnic variations, which could cause total incomprehension.

Mr. Holloway: I am now concerned that the Whips Office is breaking into my hard drive, because the very next line of my speech is about the Israeli preference for the star of David. Now that the Israelis will be or have been admitted—I am not sure which—into the international federation, the idea seems to be that they can have the star of David with the crystal around it. If that is correct, I assume that that symbol would provide exactly the same protection under international law as the red crescent.

Who exactly decides who can use the new symbol and where? Will the combination of emblems, such as the star of David and the crescent, be fully operative for indicative and protective purposes in all cases? How will the new emblem affect the International Committee of the Red Cross, the International Federation of Red Cross and Red Crescent Societies and the International Red Cross and Red Crescent Movement? Will the crystal be included in any of their titles in future? Will there be a new international crystal organisation?

How do we get the message out there that the symbol means what it means? There are two issues, the first of which is recognition. When I was with ITN in Bosnia, I remember that we had four white, armoured Land Rovers that said "ITN unit" on the side, but the word "unit" was bigger than "ITN". I remember people in a village one day assuming that we were a military unit because the Land Rover had the word "unit" on the side, so whether or not people recognise the new symbol is not a trite point.

Mr. Walker: My hon. Friend has raised some interesting points, particularly about how we should educate people about the new symbol. We must not forget, however, that the Red Cross is in favour of the red crystal, as it believes that it will provide further protections to people operating in battlefields and war zones.

Mr. Holloway: I thank my hon. Friend; I sincerely hope that that is the case. I think that everyone in the House wants this to work well. However, there is a possibility of misunderstanding, because the crystal shape is very similar to the markings on maps in operations rooms and to the symbols used on vehicles and in relation to military units. I wish that I had had time to look out some examples, so that I could describe these instances in more detail.

Clause 2 deals with United Nations personnel. The provision obviously reflects the expansion of the UN's work in places such as Rwanda and Bosnia throughout the 1990s. The move to introduce a protocol gained added momentum in 2003 when Iraqi insurgents blew up the UN headquarters in Baghdad, killing 20 people including the special envoy. The expansion of the automatic application of the convention to include peacekeeping operations and emergency humanitarian assistance is obviously very welcome, but will the Minister tell us whether any UN bodies will remain outside the scope of the provision? Emergency humanitarian assistance organisations established by organisations within the UN system and by specialist agencies do not seem to be covered, and I would like some clarification on that.

Mr. Swire: Other examples that my hon. Friend might cite are the Food and Agriculture Organisation and the World Health Organisation. I understand that they would not be within the scope of the protocol.

Mr. Holloway: Would they not? Forgive me; I could not establish that before the debate. I thank my hon. Friend for that.

[Mr. Holloway]

There is also some concern about the number of states that are signing up to the provisions, and perhaps the Minister will clarify that. I think that only 79 countries have signed up, out of the UN membership of 191, and that some of the countries in which the UN is operating have not signed up—I understand that only four of the 16 countries in which UN personnel are operating have done so.

Echoing the concern expressed by Lord Howe in another place, I want to ask whether the UN protocol will cover all bodies. Will it, for example, cover the refugee centre in Gaza that my hon. Friend the Member for East Devon and I visited recently? There have been comments about the scope of the previous personnel convention, and it has been suggested that it did not give the amount of cover that it needed to.

How many states are party to the convention on the safety of UN personnel, and how many will be party to the enhancement and extension of it? Also, the new protocol now extends to UN personnel working in more clearly defined circumstances of exceptional risk. That problem has led to complaints by a number of people, including the former Secretary-General, Kofi Annan. Now that it will extend beyond the narrower concept of peacekeeping into humanitarian work, how many current operations will be included? There are many such operations in the world at the moment. All reasonable people will wish the measure well and hope that it will have positive effects in the darker corners of the world.

2.43 pm

Mr. Greg Knight (East Yorkshire) (Con): I should like to start by thanking Mr. Speaker, who was in the Chair at the beginning of our proceedings when I raised a point of order. The main act, the Geneva Conventions Act 1957, which we are seeking to amend today, was not available in the Vote Office and the Speaker indicated that he expected action to be taken in that respect. We now have proof of the power of the Chair, because the 1957 Act is now available. I am grateful to the Speaker for facilitating the availability of the original Act.

It is sad, but perhaps an accurate indication of the slim chances of world peace, that we have heard today that the world cannot even agree a single symbol for humanitarian activity. The measure is important, and it raises a number of important questions, some of which my hon. Friends have already raised. Concern has been expressed, for example, about the lack of prosecutions. My concerns run in the other direction, however. I am worried that unnecessary and unreasonable prosecutions might take place if the Bill becomes law.

If we see a white vehicle with a red cross on the side with the words "Red Cross" painted underneath, we know what that vehicle is. The words "Red Cross" are deeply embedded in the collective memory of the nation and, indeed, that of many nations. However, would we understand that a vehicle bearing the words "Red Crystal" represents the same organisation?

It also occurs to me that commercial companies might already be using the name, and perhaps even a similar logo, although they have nothing to do with providing aid or humanitarian services. What will happen to those companies? Will they be prevented from trading as they are doing now? In the field of commercial law, there exists the term "passing off". If a company sets up in business and seeks to emulate an existing, successful company, the new company can be prosecuted for trying to dupe customers into believing that it is the original, successful company. However, if a company using a similar name is operating in a completely different part of the world, and perhaps dealing with an entirely different product, it is often allowed to continue to do so. What would be the position in this case?

The explanatory notes to the Bill are woefully inadequate. Indeed, the Bill itself does not make it clear what will happen. Page 2 of the explanatory notes refers to clause 1, the part of the Bill about which I am concerned. The notes state that

> "unauthorised use of the emblem will be punishable by a fine up to level 5 on the standard scale."

There are no words to suggest a limitation on the arena of use. The notes do not refer to a battlefield or war zone, for example; they simply refer to the unauthorised use of the emblem. The Bill itself refers not only to the emblem but to "designs or wording". We can assume from that that the words "Red Crystal" could be banned from use by any organisation other than a wing of the Red Cross.

I have suggested that commercial companies might already use the name "Red Crystal" and a similar logo. I decided to find out whether that was a fanciful view on my part, so, before the debate, I went on to the internet and typed in the words "Red Crystal". Lo and behold, up came an advertisement for a display of ladies' gowns made by a company called J Style. The range of gowns shown was called Red Crystal. I also discovered that Clare Francis has written a book called "Red Crystal", which is already on the bookshelves. Those products both use the two words that we are being invited to approve in the Bill today. We are also being invited to approve the imposition of a level 5 penalty on anyone using those words without authority. Will Clare Francis and her publishers have to remove all those books from the shelves, because the book happens to be called "Red Crystal"?

Mr. Swire: My right hon. Friend is talking about the words, as opposed to the emblem, but they largely amount to the same thing. According to the Library research paper, page 4 of the impact assessment for the Bill published by the Foreign and Commonwealth Office on 26 November 2008 clearly states:

> "There were no registered trademarks for goods or services which were the same as or confusingly similar to the red crystal emblem."

Mr. Knight: Of course my hon. Friend, who is very experienced in the field of business, will know that not every business registers a trade name for a word or collection of words that they may use for a particular product or range of products. Quite clearly, the company called J Style has probably registered the words "J Style" as a trade name, but it is nevertheless currently selling a range of ladies' dresses called Red Crystal and has been doing so for some time. It seems to me that if it is to be prevented from doing that—my hon. Friend the Member for East Devon (Mr. Swire) made this point—it should have registered the trade name. If it is to be

prevented from selling that range by our changing the law, does he agree that there should at least be some provision for compensation and that there should be no question of that company being punished? It was using the name first, so the Minister needs to make it clear that people are not going to be prosecuted for doing something that is lawful today, that will be lawful tomorrow, but that will not be lawful from the day when she decides to invoke this Bill into law, if we pass it, as use of the words "Red Crystal" will be unauthorised.

I have also discovered that there is apparently a group of musicians—I do not know whether it is a rock group or a pop group—who call themselves "Red Crystal". *[Interruption.]* No, I am not a member of that group, but there is a band called Red Crystal and it has already released, I believe, a number of records. Will it be prevented from using that name in future?

Mr. Hayes: I am delighted that my right hon. Friend has given way, but I am surprised, given his encyclopaedic knowledge of such matters, that he knows nothing about the group Red Crystal. Having said that, he has made a serious point about universality. As I am sure that he will acknowledge, the point is that if we compromise universality, which lies at the heart of the principle of displaying a red cross or a red crescent, we will endanger lives.

Mr. Knight: My hon. Friend makes a very serious point at the end of his intervention—yes, indeed.

Mr. Chope: Having regard to the previous short discussion, does my right hon. Friend accept my concern that what is described in the regulatory impact assessment as the small firms impact test is a wholly inadequate account of what issues are raised by the wording of the Bill and the use of the red crystal symbol?

Mr. Knight: My hon. Friend is absolutely right that it is woefully inadequate, and we need to hear some assurances from the Minister before we decide whether we can let this Bill go ahead.

I asked the Minister in an intervention whether she would assure the House that there is no conflict with the European convention on human rights, as the effect of clause 1 is such, in my view, that it might be considered a control on the use of property within the meaning of article 1 of the first protocol of the ECHR. She said that she felt that it was fully compliant and that there was no problem in that respect, but in the light of the cases that I have indicated, where we have a book, a business and a group of musicians all using the name Red Crystal—this is just on the basis of page 1 of my search, as I did not have enough time to do any more research, so there may well be many other companies in the UK and outside it using the same words—I want to know whether, if those bodies are operating in such a way that is quite clear that they are not seeking to pass themselves off as a division of the Red Cross and are not in any way involved in humanitarian aid, they will be allowed to continue to use those words either for a product range or as a trading name.

David Davis (Haltemprice and Howden) (Con): My right hon. Friend has raised an incredibly important and perceptive point, as this could lead to the oppression of people who are just following their normal business. The problem is not just for this House, however, because this is an international agreement that will affect other countries. Surely the Minister should answer not only for this House and this country, but for the other parties to the agreement.

Mr. Knight: As I expect from my right hon. Friend, that is a telling intervention, and I hope that when the Minister later answers the points that I have raised—should the House give her leave to reply to the debate, which I hope that it will—she will also cover my right hon. Friend's particular point. It is important that those charged with maintaining authorised use of the logo and the words do not go over the top and seek to interfere with perfectly innocent commercial operations that may have been using the words for some considerable time.

My other question to the Minister relates to the use of the new symbol. I asked her in an intervention—now that she has had a bit more time to think about it, perhaps she will reply in her summing up—who will decide where the new symbol is used and where the new phrase "Red Crystal" is implemented? Will it be the British Foreign Office, where British aid workers or British personnel are involved? If so, the Foreign Office will presumably keep a register of sensitive countries that do not like the Red Cross. Will that document be accessible to the public? Will we all be able to know which countries, should any conflict arise therein, will not have a detachment sent there called the Red Cross, but will accept the red crystal? Will that information be available to the public? As two of my hon. Friends have already asked, will there be a new international organisation calling itself red crystal that will actually be used in such situations?

I hope that I have not sounded too much of a discordant note in this debate. There are very real concerns regarding the commercial sector, so I hope that the Minister can satisfy me when she answers the debate later. I hope to hear what she has to say later, but I should perhaps say out of courtesy that I am due to chair a Select Committee in about an hour's time, so I may miss some of the proceedings.

2.57 pm

Mr. Hugo Swire (East Devon) (Con): I do not intend to detain the House very long on what I think is a fairly uncontentious Bill. This is one of those debates in respect of which, as it is has progressed this afternoon, hon. Members have made points that warrant discussion in greater detail. Although I understand the history and evolution of the Red Cross brand, it is worth pausing to think, if only for a moment, whether we are on the way to diluting that brand, thus rendering it more ineffective than effective in so many of the countries in which it plays so critical a role. How long will it be, I wonder, before someone says that the Red Cross is no longer the appropriate term to cover UN aid agencies, given the fact that we have the Red Crescent, the red crystal and other organisations? Will we have to go through a rebranding exercise? I am sure that nobody would want that to happen, but some might argue that it is the next logical stage.

I think it is worth pausing—with your indulgence, Madam Deputy Speaker, as I do not want to depart too much from the meat of the Bill—to recognise the role

[Mr. Hugo Swire]

that men and women under the umbrella organisations of the UN are playing in countries around the world. It is rather sobering to read what the noble Lord Malloch-Brown, a shadow Foreign Office Minister in the House of Lords, said. *[Interruption.]* As the Minister has recognised, I made a Freudian slip in saying that he is a shadow Minister when he is of course the real thing. He said:

"One of the darkest clouds of my latter years at the UN was the severity and growing frequency of attacks on UN humanitarian workers." *[Official Report, House of Lords,* 27 January 2009; Vol. 707, c. 197.]

That is, of course, regrettable and wholly unacceptable.

The increase in the number of attacks is worth bearing in mind. In 1996, three ICRC relief workers in Burundi were killed while travelling in a vehicle clearly marked with Red Cross emblems. In 1999, four ICRC staff were killed by the Sudan People's Liberation Army in south Sudan. They had been abducted in February, and were executed in April. In 2001, six ICRC workers were killed in Ituri Province in the Democratic Republic of the Congo while travelling in two vehicles marked with Red Cross emblems. Also in 2001, a Red Cross plane was shot down in Sudan and the co-pilot was killed. In 2003, five ICRC staff were killed in Afghanistan and Iraq following the bombing of the ICRC's headquarters in Baghdad in a suicide attack. In 2007, a Red Crescent driver was seriously injured in an attack on a Somali Red Crescent pick-up truck clearly marked with the Red Crescent emblem.

Mr. Hayes: My hon. Friend is right to draw attention to those outrages, but I hope he will consider a question that seems to me to be at the heart of our discussion: whether the attacks were motivated specifically by the symbolism of the cross or crescent, or whether they would have happened regardless of the symbol. If the second is true, the adoption of a new symbol will not help one jot.

Mr. Swire: My hon. Friend has made an extremely good point. I am not privy to information on why those convoys, individuals and headquarters were attacked, but they were clearly marked in a way that showed them to be part of the UN family, and I should have thought that anyone who attacked them would know that. But my hon. Friend is absolutely right: the idea that a red crescent, a red cross or a red crystal constitutes some form of armour protecting people from a would-be attacker is wishful thinking and, alas, an erroneous assumption.

I can cite no better example than the bombing of the United Nations Relief and Works Agency headquarters in Gaza, which my hon. Friend mentioned earlier, and which is now being subjected to international examination following the visit to Gaza of the head of the UN. Allegedly—I stress the word "allegedly"—white phosphorus was used, in direct contravention of the laws of warfare. I do not know whether white phosphorus was used or not, but UN workers showed me where in the compound it had allegedly been used. I was told that it was white phosphorus and that it had definitely been used. I was also shown the burned out storage facility where medical supplies, in particular, were stored for the people of Gaza. What is worse, the Israeli defence forces knew exactly where that compound was. Of course they did. I had been there myself only the previous year, as had many other Members.

Furthermore, UNRWA had provided the Israeli defence forces with the co-ordinates of that building when it first came under attack. There had been a remote triangular conversation between UNRWA, an Israeli general and Jerusalem, but that did not prevent a sustained attack on the compound, with accompanying damage to UN vehicles and properties which were clearly marked as such.

The answer to my hon. Friend's question is no. It is not possible to say whether the emblem performed the role of litmus paper and attracted an incoming attack like a magnet, but it is certain that in that instance it provided no protection whatsoever.

Bill Wiggin: That suggests that had the marking been a crystal, it would not have made any difference at all.

Mr. Swire: No, it would not have made the slightest difference. I do not believe that even the most resilient crystal could resist the pressure of an incoming attack. I do not think a crystal affords any protection at all. I shall say something shortly about the punishment for those who misuse such emblems in war and those who abuse them by not recognising the international sanctity that should surely be afforded them.

Perhaps I could have the Minister's attention for a moment. She might wish to hear what I am about to say. Under the heading "Territorial Extent and Application", the explanatory notes accompanying the Bill state:

"The provisions of the Bill extend to the whole of the United Kingdom. As far as Scotland is concerned, the Bill relates only to reserved matters."

I do not quite understand what that means. Perhaps the Minister will explain why the updating of the legislation should be a reserved matter.

The explanatory notes continue:

"Under clause 3, there is power to extend the provisions to the Channel Islands, the Isle of Man and British overseas territories."

Do the Government intend to extend that power, and if so, when? Would it not be logical to do everything at the same time?

Let me turn briefly to an issue on which I have been intervening this afternoon: the issue of punishment for abusing those labouring under the protection of the UN, in whatever guise, and for misusing the emblems in a time of warfare. We have discussed what punishments are available. According to the research paper I have here:

"Clause 1 of the current Bill and its Schedule would add the red crystal to the list of emblems protected by the 1957 Act."

That is good. It continues:

"A grave breach of the Protocol (perfidious use of the emblem for the purpose of killing injuring or capturing an adversary during an international armed conflict) would be punishable by up to 30 years' imprisonment (or, if the offence involved murder, life imprisonment)."

I wonder whether the Minister can cite, under the existing legislation—I thought she might be rising to give me an answer, but no such luck—a single example of a grave breach of the protocol being punished either

with 30 years' imprisonment or by life imprisonment. Assuredly there have been such grave breaches, and they continue to take place.

The paper continues:

"Unauthorised use of the emblem will be punishable by a fine of up to level 5 on the standard scale (currently £5,000) and the court may order the forfeiture of any goods or articles upon or in connection with which the emblems or designs were used."

I do not think the courts will do much in some backward valley in Afghanistan if someone is driving around with a red crescent, or even a red crystal, painted on a pick-up truck, but here we have a wonderful international legal framework to punish those who abuse the UN, either by misusing its symbols or by attacking those who are protected under them.

Mr. Greg Knight: Clause 1(5) refers to "a design or wording". I mentioned that when I spoke earlier.

Mr. Swire: Indeed, and my right hon. Friend made an extremely good point. His quick trawl on the internet produced, straight away, two examples of companies which I think would be adversely affected by the introduction of the red crystal. It is stated somewhere in the Bill that it would have no financial implications—a standard statement in Bills—but it could clearly have adverse financial implications for those two companies, and perhaps for many others, including the rock group cited by my right hon. Friend. I think that the Minister needs to drill down into this issue, and come up with some answers.

This afternoon, we have heard the history of the proliferation of emblems and about the countries that wanted to adopt symbols over the years—those that tried and then dropped the idea. It is regrettable, although understandable, that we have embarked on this journey in that it involves diluting the brand of the Red Cross. We have to live with it, and I of all people understand the sensibilities of those countries to which a cross is in some way offensive or not necessarily representative. It is regrettable but of course it is understandable.

We spend a lot of time lauding the incredibly important work that aid workers and non-governmental organisations do around the world, often with little protection. What is most important at this point is that, rather than making gestures in order to accommodate the arrival of a new sub-branch, if you like, of the UN, we spend a little time remembering that a lot of the protection offered to UN agencies under international law is simply not available to a range of other organisations staffed with very brave men and women throughout the world. They have no protection under international law or certainly not to the same degree as the UN. However, a law is only as good as its enforceability or the proven protection that it provides, so we owe it to all those working under the family of the UN—be they working for the Red Cross or the Red Crescent, or for the red crystal in future—to ensure that if they are in any way abused in warfare, the perpetrators of that abuse will be brought to the highest courts of the land, perhaps the International Criminal Court in The Hague or somewhere else appropriate; or that a fine, if a fine it is to be, is imposed and seen to be imposed, so that these symbols, regardless of how many there are, mean the same thing to people throughout the world.

3.12 pm

Mr. John Hayes (South Holland and The Deepings) (Con): This debate is about symbols, protocol and convention. In the end, it is about the meaning of all those things. Much of the work of a politician is in discerning the difference between symbols and truths, spin and substance, emblem and reality, so I want to start my brief contribution by speaking about symbols, for that has preoccupied many of the previous speakers. Jung said:

"Symbols are ideas. Whenever we use one we are pointing to the idea behind that symbol".

He went on:

"the sign is always less than the concept it represents, while a symbol always stands for something more than its obvious and immediate meaning."

One of my inspirations, my favourite thinkers and writers, G. K. Chesterton, said specifically on the cross:

"in criticising Christian symbolism, they talk much of dead churches and decaying creeds. They talk of a creed as a cant but their own talk itself is cant. They do not dislike the cross because it is a dead symbol, but because it is a live symbol"

and so it is with the symbols that we are debating today. They have meaning beyond their image. They have a significance that is widely understood; they are indeed alive. No more could be said—or perhaps needs to be said—about the red cross than to point out that it is so widely recognised and so universally understood as to have a significance that is special and worthy of protection.

I shall speak at some length about the Geneva convention, which is critical to this debate, and about the 1957 Act, but before I do so perhaps it is worth debating for a moment what was said in the other place about this Bill. The Minister of State at the Foreign and Commonwealth Office, Lord Malloch-Brown said:

"the scope of the convention is relatively narrow, applying to only two categories of UN operations: those maintaining or restoring international peace and security; or those where the Security Council or the General Assembly has declared that there exists an exceptional risk to the safety of the personnel participating in the operation." —[*Official Report, House of Lords*, 27 January 2009; Vol. 707, c. 190.]

The Bill is indeed narrow. None the less it is important that we understand the context in which we debate it. For that reason, I want to speak at some length, although not at inordinate length, about the 1949 Geneva convention, which is critical to our consideration and about which I have to say, without meaning criticism of hon. Members, we have heard too little so far this afternoon.

The following briefly summarises the provisions of the 1949 Geneva convention that govern the use of the red cross, red crescent and, as was mentioned earlier, the red lion and sun flags. Geneva I governs land warfare. Geneva II governs warfare at sea. There are also Geneva III and IV, but they have no provisions concerning flags, so we must not waste time on them today.

Article 138 of Geneva I provides for the use of the Swiss federal arms in reverse colours—the red cross on a white ground—as the

"emblem and distinctive sign of the Medical Service of armed forces."

That was originally provided for in article 7 of the first Geneva convention. As Members will know, that was signed on 22 August 1864. The red crescent—or red lion

[Mr. John Hayes]

and sun in lieu of the red cross—was recognised for use by countries already using such devices when the 1949 convention was adopted.

Geneva I, article 39, requires the emblem—the red cross and those others—to be

"displayed on the flags, armlets and on all equipment employed in the Medical Service."

The same provision is contained in Geneva II, article 41.

Geneva I, article 42, limits the display of the distinctive flag of the convention to

"medical units and establishments as are entitled to be respected under the Convention".

It is permitted to be displayed in conjunction with the

"national flag of the Party...to which the unit or establishment belongs."

The 1864 convention required it to be displayed with the national flag. When medical units fall into the hands of the enemy, they display only the flag of the convention. Indeed that is detailed, as Members will know, in the Geneva Conventions Act 1957, about which I shall speak at some length later. It was specifically referred to in the Second Reading debate on that Bill, which I shall also be speaking about later.

Geneva I, article 44, bans all uses of the red cross or equivalent emblems, including flags, other than

"to indicate or to protect the medical units and establishments, the personnel and material"

under the Geneva conventions, except that the national Red Cross and Red Crescent Societies may use the emblems in peacetime for other activities in conformity with the principles of the Red Cross Movement. That reinforces the universality that I have argued previously is critical to our considerations today. In wartime, they may use the emblems for their activities only if they are clearly not implying the protection of the convention. International Red Cross organisations such as the International Committee of the Red Cross may use the red cross emblem at all times.

Geneva II, article 43, requires hospital ships to make themselves known by

"hoisting their national flag and further, if they belong to a neutral state, the flag of the Party to the conflict whose direction they have accepted. A white flag with a red cross shall be flown at the mainmast as high as possible.

Hospital ships which...are provisionally detained by the enemy, must haul down"

their national colours.

"Coastal lifeboats"

operating from a base which is occupied by the enemy may

"continue to fly their own national colours along with a flag carrying a red cross".

Mr. Greg Knight: In the case of a ship, which is by its very nature moving and may move from one arena to another, where the favoured emblem is different, it might be necessary for the ship to haul down the red cross and haul up the red crystal. That process might have to be repeated for each change in territorial waters.

Mr. Hayes: That is indeed a problem. It was partly such arguments that stimulated the debate some 60 years ago, in which it was asserted with some force—for me, it was a compelling argument—that the red cross should be a universal symbol. My right hon. Friend will know why that is not the case. In the early days following the establishment of the conventions in the 1860s the Ottoman empire objected to the use of the cross, and it was as a compromise that the red crescent was introduced. My right hon. Friend could still, however, make a compelling case for the universal use of the red cross.

Mr. Swire: Conversely, the wounded on board a hospital ship could come from a variety of religious backgrounds, and there might be reason to fly the red cross, the red crescent and the red crystal. Does my hon. Friend understand whether anything would prevent any vessel from being marked with the three main emblems?

Mr. Hayes: I have just been thumbing my copy of the Geneva Conventions Act 1957, following the first inspection. It states clearly in article 18:

"Civilian hospitals organised to give care to the wounded and sick, the infirm and maternity cases, may in no circumstances be the object of attack, but shall at all times be respected and protected by the Parties to the conflict.

States which are Parties to a conflict shall provide all civilian hospitals with certificates showing that they are civilian hospitals and that the buildings which they occupy are not used for any purpose which would deprive these hospitals of protection in accordance with Article 19."

More pertinently perhaps, it continues:

"Civilian hospitals shall be marked by means of the emblem provided for in Article 38 of the Geneva Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field of 12th August, 1949, but only if so authorised by the State.

The Parties to the conflict shall, in so far as military considerations permit, take the necessary steps to make the distinctive emblems indicating civilian hospitals clearly visible to the enemy land, air and naval forces"—

which addresses my right hon. Friend's intervention—

"in order to obviate the possibility of any hostile action."

There is a clear responsibility, whether on land or sea, for the states concerned to take all reasonable measures to ensure that a hospital or hospital ship is identified as such, so that no confusion can arise.

Mr. Greg Knight: Although it would not create a difficulty for a ship to fly the three flags at once, if the example given by my hon. Friend the Member for East Devon (Mr. Swire) were followed in respect of a vehicle and it had to carry the three emblems, they might have to be smaller in size in order to be accommodated, and would therefore be less easy to identify by aircraft flying overhead.

Mr. Hayes: That is true, and for that reason I draw to my right hon. Friend's attention the further provision in article 18:

"In view of the dangers to which hospitals"—

and, presumably, mobile facilities and ships—

"may be exposed by being close to military objectives, it is recommended that such hospitals be situated as far as possible from such objectives."

The convention makes it clear that the eventualities described by my right hon. and hon. Friends are less likely to occur if adequate precautions are taken.

The plain red cross or red crescent flag is primarily used to identify medical units for military forces, as provided by the 1864 and subsequent Geneva conventions.

I have referred to the 1957 Act which supports the conventions. If I had more time, I would like to speak about the 1997 Act, but it would not please the House were I to continue for too long, so I shall not go into that in any great detail.

Although national Governments may authorise red cross or red crescent societies to use the flag provided, there is no possibility of confusion with the primary use of the flag. The convention also allows the various international Red Cross organisations, such as the ICRC and IFRC, to use the symbols as I described earlier. Therefore, the plain red cross is not a unique identifier of the ICRC. The basic right to use the red cross and red crescent flags does not derive from either of those organisations—it is the inherent right of all states that are party to the Geneva convention of 1949.

Having said that, there has always been some disagreement. I mentioned the disagreement that followed the original arrangements, when there was a tension between the members and the Ottoman empire, which led to the compromise of the red crescent, but there have been many disagreements—almost for the whole life of the conventions—about the precise use of the red cross and, subsequently, the red crescent, and indeed about symbols per se.

Earlier in the debate, my right hon. Friend the Member for East Yorkshire (Mr. Knight) talked about the possibility of many emblems being used and the confusion that might ensue. That specific suggestion has been made over the years by several states, not in order to cause confusion, but as a means of representing national interests in those parts of the world where the use of a crescent or cross might be seen to be invidious. We could speak at some length about Israel in that regard. There has been significant tension, because Israel would prefer to use a variation on the star of David. Of course, the obvious difficulty with that route is that it is Israel's national emblem—indeed, it is on its national flag—and the confusion that that would cause speaks for itself. The virtue of the red cross and the red crescent is that they are detached from the symbols of nation states; they have the universality that I describe.

Mr. Swire *rose—*

Mr. Burns *rose—*

Mr. Hayes: My hon. Friend the Member for West Chelmsford (Mr. Burns) is anxious to intervene, but I must make progress, so I shall frustrate him on this occasion.

Mr. Swire: I am most grateful to my hon. Friend for his blatant favouritism in giving way to me. What he says about Israel is absolutely right. Indeed, in 1949, when Israel signed the Geneva conventions, it clearly said that

"while respecting the inviolability of the distinctive signs and emblems of the Convention, Israel will use the Red Shield of David as the emblem and distinctive sign of the medical services of her armed forces."

That is a recognition by Israel that, somehow, the red cross or the UN's emblems have some universality. It concedes that point and uses the red shield of David, which was originally its preferred option, for its armed forces. That is worth pointing out.

Mr. Hayes: That is indeed so, but as my hon. Friend will know, Israel's Magen David Adom society uses the unrecognised red star of David as its emblem. As a result, the society is still not a member of the international Red Cross movement—something that many Israelis think is unjust. As my hon. Friend invites me to say more about Israel, I will do so, with your indulgence, Mr. Deputy Speaker.

Mr. Burns: My hon. Friend has made the point that the star of David is an integral part of Israel's flag and is used by its military; but on the other side of the coin, of course, Arab and middle eastern states have the crescent on their national flags—Pakistan, for example.

Mr. Hayes: That is indeed true, and as a brief examination of the minutes reveals, it was one of the arguments used at the end of the 19th century against the adoption of the red crescent. Many of those who resisted that demand made precisely the point that my hon. Friend makes. Indeed, many people in Israel understand the difficulty, and Israel's ambassador to the UN in Geneva shares that opinion. He would like to be a member of the international Red Cross and points out that the MDA is active all over the world. He says that it is often the first on the scene—for example, following the tsunami or earthquakes—and that it deserves to be part of the international movement. There is a thirst on the part of Israelis to be part of the movement but a resistance to the use of the symbols that are adopted by the movement.

As I have said, the problem is that the star of David is primarily Israel's national symbol, rather than an emblem of humanitarian relief. Even though it is true that the crescent appears on the flags of many states, I am not sure whether one could convincingly argue that those crescents are as intimately associated with the very identity of the nation as is the star of David with Israel. Lest any hon. Member or anyone elsewhere should think that I am critic of the state of Israel, I want to put on record that the opposite is the case. I am a staunch defender of that place and its people, but as a friend, one has the right to be critical on occasion. It would be better if Israel joined that international community and perhaps compromised in the use of universal symbols.

Gillian Merron: I hope that I can assist the hon. Gentleman by confirming that in 2006 the Israeli national society joined the international movement, because of the very subject that we are discussing today—the addition of the red crystal, along with the red crescent and the red cross—so it is not true to say that the Israeli national society is not a member of the international movement.

Mr. Hayes: Yes, that is most helpful of the Minister. Indeed, I have a further note to that effect. Arab states have made it clear, however, that they will never accept recognition of the red star under the Geneva conventions. At the same time, the conventions stipulate that the national relief societies must use only recognised symbols, as she has made clear.

Gillian Merron: That certainly makes the case for supporting the Bill, for which I thank the hon. Gentleman.

Mr. Hayes: There is a case for the Bill. I do not start from the presumption that it is implicitly unwelcome, but we need a thorough debate about it. Scrutiny in this

[Mr. Hayes]

place needs to be real and thorough, and the Executive need to be held to account. Opposition Members have made brief interventions, and we hope to hear more from Labour Members—

Mr. Greg Knight: Where are they?

Mr. Hayes: I am optimistic that we will hear more from Labour Members, as we must have detailed and thorough scrutiny.

Mr. Walker: My hon. Friend will recall that we have just served on a Public Bill Committee whose evidentiary sittings allowed us to put our questions and concerns to the bodies that would be directly impacted by the legislation. Today's debate on the Bill is rather truncated: does he agree that it would be better for us to break today so that we can have evidence sessions and a proper Public Bill Committee? We could then speak to representatives of the Red Cross and its derivative organisations and get answers to some of our very real concerns.

Mr. Hayes: Indeed. Part of the problem in modern representative democracy is the balance of power between Executive and legislature. I could speak about that at immense length, Mr. Deputy Speaker, but you would not allow me to. I will therefore not be encouraged down that tributary because, although fascinating, it would not be relevant to this debate.

I have been encouraged to speak about the difficulty of Israel. That difficulty has been exacerbated by the current circumstances of the middle east, which make it hard for Israel to cross borders and work in the occupied territories. The Minister has said that Israel is prepared to use the red crescent sign outside its borders, once the negotiations are over. Indeed, it has signed an agreement to that effect regarding the occupied territories.

If we are to speak about Israel, it would be perverse not to speak about Syria also. On the surface, and given what the Minister said in her intervention, everything looks promising for the approval of a new emblem. If we had debated the matter a while ago, it would have been possible to assume that it would have been plain sailing.

Switzerland is the repository state for the Geneva conventions. It sent out invitations for a conference on the matter, and the Swiss diplomats who played a key role in getting the agreement between the MDA and the Palestinian Red Crescent were optimistic. One issue might get in the way, however, and that is the fact that many Arab countries already see the third element as an unnecessary accommodation of Israel.

Some people are suggesting that, now that the MDA has agreed to work with the Palestinian Red Crescent in the occupied territories, a similar agreement is necessary for the Golan heights. *[Interruption.]* Is my hon. Friend the Member for Broxbourne (Mr. Walker) keen to get in?

Mr. Walker: My enthusiasm is purely for my hon. Friend's line of argument.

Mr. Hayes: I mistook my hon. Friend's inherent enthusiasm and energy for a desire to intervene. I am always happy to accept interventions from him—just as I am from my experienced and sagacious colleague, my right hon. Friend the Member for East Yorkshire.

Mr. Greg Knight: I am grateful to my hon. Friend for giving way, but I wish to express a different view from the one expressed in the previous intervention. What on earth has the position of Syria to do with whether we approve the Bill?

Mr. Hayes: Syria is important because we are debating the establishment of a new emblem. If that emblem is to have the effect that we all want, it must attract a degree of universal acclaim.

I accept that the red cross has not always done that, and a few moments ago we talked about the Ottoman empire and the subsequent evolution of the symbols concerned. None the less, the cross and the crescent combined at least seemed to enjoy a universality and a widespread recognition across borders that it is not clear that the new symbol will enjoy. That is why I raised the issue of Syria and the doubts in the Arab world about the motives and effects of the new symbol.

Mr. Walker: My hon. Friend has an enormous intellect, but is there not one slight flaw in his argument? We are not forcing the red crystal on to the Red Cross and the Red Crescent; they want it to be introduced. Is that not the case?

Mr. Hayes: There are three things to note about that intervention. The first is that I do not have an enormous intellect; I am a pygmy among giants in this House. Secondly, of course there are flaws in my argument, because we are all flawed and faulted. We fell from a state of grace a long time ago. It is only having accepted our frailties that we can claim any kind of wisdom or accomplishment. The third point I did not entirely grasp.

Mr. Walker: Well, I repeat my point. We are here in support of the Red Cross, which wants to bring the red crystal into being. We seem to be frightfully concerned about the position of the Red Cross, but it is very much in favour of the use of the red crystal. That is why we should have an evidence session before the Bill goes into Public Bill Committee, as it should do. We could then hear from the Red Cross, and it could make its case directly to us.

Mr. Hayes: That is a good point, and I now understand it. Perhaps my intellect is growing by the moment. It is true that the Red Cross seems comfortable with the proposal, but I am not entirely sure whether that is a defensive response, or whether it is positively in favour—whether it would have sought the measure had circumstances been different from those that I am beginning to describe. It may be that the measure is an accommodation to deal with difficulties, rather than something that the Red Cross would have promoted of its own accord.

Mr. Chope: To what extent has my hon. Friend had regard, in making his argument, to the preamble to schedule 7 to the Geneva Conventions Act 1957, which is inserted by the schedule to the Bill? That preamble emphasises

"that the distinctive emblems are not intended to have any religious, ethnic, racial, regional or political significance".

Any country that signs up to the protocol will have to accept that preamble.

Mr. Hayes: My hon. Friend anticipates an aspect of the main part of my argument, which I will move on to when I finish these introductory remarks. When I spoke of the significance of symbols, I did not go on to describe in detail the fundamental character of the cross. Chesterton may be right about the reality that lies behind symbols. The reality of the cross is that it was used long before it was associated with Christian imagery. Its universality depends on that ancient lineage.

Mr. Swire: Talking of ancient lineages, we all know that ancient symbols can be hijacked by movements. I refer my hon. Friend to the events of 1977 when, as he will know, the Indian Red Cross Society consulted the International Committee of the Red Cross about using as its symbol a red swastika—a symbol long familiar in India—on a white ground. That symbol was, of course, hijacked long after it was invented, and became wholly unacceptable to most of the civilised world.

Mr. Hayes: The swastika was hijacked, as my hon. Friend puts it, from the Greeks, was it not? It is a reference to the Nazis' desire to emulate the tokens and symbols of the ancient world. It is true that it has been used in India from ancient times, but it was as a Greek symbol that it gained the admiration of the wicked masterminds of the Third Reich. However, my hon. Friend is right that the hijacking of symbols is important in our considerations today. Indeed, the red cross was used as a symbol relatively recently by terrorists posing as serving a humanitarian purpose when they were, in fact, malevolent in their intent, so symbols in themselves are no guarantee. None the less, it is important that we understand their significance and defend their use where they serve a moral purpose, as I believe the red cross and the red crescent do.

I must press on to say another word about Syria before I move on to the main body of my argument.

Mr. Greg Knight: I am grateful to my hon. Friend for giving way. His last point encapsulated the core of what I was seeking to say to the House earlier—that where someone deliberately uses the symbol and the name to masquerade as a humanitarian unit and then opens fire, perhaps on other people involved in the conflict, that is when the full 30 years' imprisonment mentioned in the Bill should come into play. Does my hon. Friend agree that where there is a totally unconnected use of the symbol or the name, as I suggested in my remarks, it is doubtful whether that should even be an offence?

Mr. Hayes: It is not merely malevolence but confusion that we are dealing with. That is why I was attracted by the arguments that my right hon. Friend advanced when he said that he had been on the internet—not a practice that I personally indulge in, but I understand that there are those who have the kind of lives that allow them the time to do so—and found that the red symbol was used for all kinds of purposes, none of which seemed to relate to humanitarian aid or any of the purposes of the Red Cross or the Red Crescent.

There is a real risk of confusion resulting from the use of many symbols, combined or separately. The Bill makes it clear that they can indeed be combined in all sorts of ways. I am not sure in how many ways three symbols can be combined.

Mr. Walker *rose—*

Mr. Hayes: That would take a mathematician of the skill of my hon. Friend to calculate and briefly inform the House. I give way to him so that he can do so.

Mr. Walker: My hon. Friend may be premature in bringing his opening remarks to a conclusion before he has addressed concerns about organisations using the red cross in a way that diminishes its value—that is, organisations not connected with bringing aid to the third world and war-torn parts of the world.

Mr. Hayes: To confusion and malevolence we may add, I suppose, mischievous use of symbols. It is entirely possible that they might be used for not a criminal but an unhappy, mischievous purpose. The risk is likely to be exacerbated the more symbols we have. I am strongly committed to the principle of a universal symbol, as I highlighted earlier and will speak more about shortly.

I must say a word or two more about Syria. The disputed territory of the Golan heights is what took us to the subject. Because it is disputed territory, some argue that the Syrian Red Crescent should have a role there. We look forward to hearing the Minister's thoughts about that in due course, as we draw to a conclusion later this evening.

"The Syrian Red Crescent cannot operate there",

insisted the Israeli head of the MDA.

"We have no diplomatic relations with Syria, the issue is simply not in the debate. But I'm not excluding that some Arab countries will try to raise it, and if they do, the losers will be the Palestinians,"

he went on to say. So Geneva, usually a peaceful place, has become a hive of activity as officials have desperately tried to reconcile these conflicting views about the use of the cross, the crescent and other symbols.

The ambassador for Pakistan is negotiating on behalf of 56 countries belonging to the Organisation of the Islamic Conference and he said, with notable understatement, that it is all "very complicated". It is, and although the Bill looks uncontentious on the surface, it is also complicated. We have no desire to make life difficult for the Government; we want to hold them to account, but only in a way that is appropriate. However, we do expect from them a full explanation of some of those complicated matters.

Mr. Swire: One solution that would do away with all these territorial problems—it would be wholly ridiculous and unacceptable, but would need to be addressed at some stage—would be for us to do away with the red cross and the red crescent altogether as symbols and merely have a non-contentious symbol such as the red crystal. That gets us back to the original idea of having one universally recognised and uncontentious symbol.

Mr. Hayes: We have come to expect such inventiveness from my hon. Friend; we have not heard that argument thus far in the debate, but it has some merit. None the less, I do not agree with it, so I shall move on.

Mr. Walker: My hon. Friend cannot casually dismiss that excellent contribution without exploring it a little further. Why is he dismissing it so out of hand?

Mr. Hayes: I do not want to be unnecessarily contentious, but I dismiss the point for the reason that I offered at the outset of my contribution. The virtues of the red cross are that it is widely recognised, easy to understand and well established. I know that there are not only conservatives on the Conservative Benches of the House, but I would have thought that my hon. Friend would understand that pretty intrinsic to the Conservative appreciation of the world is the notion that what is time-honoured should be valued, and that changes should be made only when absolutely necessary. By and large I try to resist change, but even I recognise that sometimes it is absolutely necessary. However, surely that does not apply on this occasion.

Mr. Walker: My hon. Friend has slapped me in the face and laid down the gauntlet. Seriously, we must be pragmatic and not ideological about this. The role of the Red Cross is to save as many lives as possible and alleviate suffering wherever it can. At some time in the future, the red crystal may have more resonance in more parts of the world and should be the universal symbol of an organisation bringing aid. Religious baggage should not be attached to the Red Cross because it came from Switzerland. However, such baggage is being attached to that symbol—and to the crescent, and to the flag under which Israel operates.

Mr. Hayes: That is a perfectly reasonable argument and it would, I suppose, be a way out of this mess. However, the cost of abandoning a well-established emblem such as the red cross would be an expensive price to pay to deal with the albeit important matters implicit in my hon. Friend's intervention. There is just as strong an argument for the universal adoption of the red cross, and it has supporters and weight within the international movement. Indeed, as my hon. Friend will know, that argument was made forcefully at the end of the 1940s.

Mr. Swire: I do not want my hon. Friend to read anything into this; I am not abandoning the idea that the Red Cross should be the umbrella organisation. However, he needs to reflect that an enormous number—if not the greatest proportion—of the countries where the aid agencies operate, and are likely to be needed in future, are non-Christian. In other words, the number of countries where the Red Cross will operate under the symbol of the red cross must surely diminish in direct proportion to the number where it will operate under the symbol of the red crescent or the red crystal.

Mr. Hayes: Perhaps I made myself—

Mr. Burns: Unclear?

Mr. Hayes: I was going to say that perhaps I made myself unhelpfully unclear in my earlier argument. Perhaps, and this is more likely, my hon. Friend the Member for East Devon (Mr. Swire) was not listening carefully enough when I said that the red cross is not solely a Christian symbol—indeed, it is arguably not one at all. Of course, the cross is a Christian symbol but the use of the cross relates to a much more ancient recognition of the symbol as a symbol of peace. Let me take the use of the white flag as a parallel example. Since time began, the white flag has been recognised as a symbol of submission or surrender. The symbol of a cross has ancient lineage, as I have described, that predates its use as a Christian image. I made that point once. I have now made it twice. I do not expect to have to make it a third time.

Mr. Walker: My hon. Friend is in robust form. The cross is perceived to have religious connotations. In a battlefield, there will not be time for my hon. Friend to deliver one of his forceful and robust speeches to explain the complexities of the cross. It is perceived in the heat of battle to be a Christian symbol. Yes, that perception is wrong, but it is the perception. Surely my hon. Friend recognises that in framing his argument.

Mr. Hayes: That was the argument when the red crescent was adopted. In the 1870s, the Ottoman empire made precisely the arguments that are being made by my hon. Friends and the international community agreed to establish the Red Crescent as a response. I am not sure that the argument was compelling then and I am not sure that it is compelling now. The cross, to a certain mind, might be perceived in the way my hon. Friend describes, but that probably says more about that mind than it does about the cross. I remain convinced that the use of the cross has immense value in the universality it provides, with all the protection that that brings. We want those who are serving noble purposes and offering humanitarian relief, aid and medical services to benefit from the protection given by a symbol such as the cross.

I remain doubtful that extending the number of symbols is likely to offer such blanket protection. Not only is there the possibility of malevolent or mischievous use, but, almost more significantly, there is the possibility of confusion. Until my hon. Friend the Member for Broxbourne can answer that charge, I feel that his argument has less strength than he might assume.

Mr. Walker: If my argument lacks strength, I apologise, but the red crystal is being brought forward by the Red Cross. Will my hon. Friend please address his remaining opening remarks to the Red Cross and explain to the Red Cross why he is opposed to its bringing forward the red crystal, which it believes will enhance its mission in the field, not devalue it?

Mr. Hayes: When a right hon. Gentleman as eminent as my right hon. Friend the Member for East Yorkshire tells this House that he has been—I think that this is the phrase—surfing the net and has discovered the use of the red crystal as a symbol for a combination of bordellos, fashion houses and rock stars, we, as responsible Members, have a duty to hear him and to consider that evidence. We should do that not just because of my right hon. Friend's sagacity but because of the evidence that he provided. If my hon. Friend the Member for Broxbourne chose to surf the net, he might find even more examples of the use of red and other crystals for all kinds of good and more nefarious purposes.

Angela Watkinson (Upminster) (Con): I thank my hon. Friend for allowing me to intervene; he is making a very powerful speech. Does he agree that, in designing a new symbol, if so much effort goes into making it totally non-contentious and impossible to interpret, so that no person, group, country, religion or faith could be offended by it, there is a danger that the result will

have none of the power, impact or values of the traditional symbols, which creates the dilemma that we may lose all the associated features of the red cross in a non-contentious red crystal?

Mr. Hayes: As ever, my hon. Friend brings fresh insight to the debate. In that interesting intervention, she reminds the whole House of Proust, who argued that the dilution of symbols robs them of meaning. It is important to appreciate that the cross is not only widely accepted and easily recognised but has substance. The symbol that we are presented with may be so anodyne that it has neither substance nor meaning for many of the people who see it—except, I suppose, those who have surfed the net.

Mr. Burns: I seek a little clarification on two points. First, my understanding is that the symbol used by the Red Cross was a reversal of the national flag of Switzerland, so I cannot see the religious connotation. Secondly, I thought that the whole point of the red cross and the red crescent was that they were not aligned with a religion or a faith but used as symbols of humanitarian aid and assistance. If I am right in those two suppositions, how are my hon. Friends right in theirs?

Mr. Hayes: My hon. Friend is right. The red cross was adopted not because of its connotation with any particular creed or belief but because it was not so associated, being an ancient symbol that predates the use of the cross in Christian imagery.

There is a certain type of guilt-ridden bourgeois liberal who is so defensive about our Christian heritage that they see ghosts around every corner and doubt wherever they turn—I was about to say reds under every bed, but I suppose I do not quite mean that. I hope that that is not true of my hon. Friends, but they are being slightly too defensive about the perceived relationship between the red cross and the Christian faith, and possibly too defensive about the Christian faith per se.

Mr. Swire: I am happy to be accused of being a liberal, but certainly not bourgeois. I largely agree with my hon. Friend, but he must recognise that these symbols can be hijacked. Back in 1864—this predates my hon. Friend—the Ottoman empire made representations under the Geneva convention because it claimed that the red cross emblem

"gave offence to Muslim soldiers".

From that point on, the red cross stopped being the universal symbol. He must recognise that some symbols can cause offence to some communities in a way that he may not have thought through.

Mr. Hayes: That is true. However, if we were to be cowed by everyone who took offence at the use of these symbols, the red cross might never have been established as it was, with the immense benefits to all concerned, and we would have ended up with symbols from every nation or state without the universality that I recommend to the House so strongly, and which is increasingly significant in a world that is global in character in respect of conflict, tension, terrorism, humanitarian aid and many other things. That was recognised by the Liberal spokesman in the House of Lords, who described the increasingly international nature of these matters as a reason for the adoption of the red crystal. I take the opposite view that the increasingly international nature of the things I described reaffirms the case for a single symbol. That might be the crescent, as my hon. Friend suggests, or more properly and logically, it might be the cross.

Mr. Walker: I have the highest regard for my hon. Friend, but why will he not recognise in his argument that we live in complex times?

Mr. Hayes: The times are complex for all of us, but particularly for my hon. Friend. I do not disregard his argument; it is just one with which I cannot agree. The red cross, with all that it means and has meant, brings immense benefit as a symbol in the manner identified by the convention, and in the way envisaged by the architects of the original international agreement in 1864. To abandon all of that which is time-honoured would be unwise.

Michael Fabricant: I was here at the beginning of the debate, but was unfortunately called away. I saw some of it, however, through the television apparatus in my office and I followed my hon. Friend's arguments with considerable interest. I mentioned at the beginning of the debate the vexed issue of the red star of David—the Magen David Adom. Does my hon. Friend agree that if people attempting to give aid to those in the Gaza strip were seen climbing out of a vehicle so marked, it would be unacceptable to Hamas, and dangerous for those giving the aid?

Mr. Hayes: We had a brief debate about the occupied territories, and about the Golan heights, although I did not mention the Gaza strip—

Mr. Deputy Speaker (Sir Michael Lord): Order. I am reluctant to intervene on the hon. Gentleman's preliminary remarks, but he is getting a little repetitive and I wondered whether he could move on to the main body of his argument.

Mr. Hayes: I was just about to do so.

Mr. Walker: Will my hon. Friend give way on that point?

Mr. Hayes: I will not give way to my hon. Friend again because I fear that he is attempting to seduce me—oratorically speaking, of course—by taking me down all sorts of roads I do not want to go down. He has had a fair crack of the whip, and I must make progress.

Mr. Graham Stuart (Beverley and Holderness) (Con): Will my hon. Friend give way?

Mr. Hayes: I must make progress. I will give way in a few moments' time, once I have dealt with the issue raised by my hon. Friend the Member for Lichfield (Michael Fabricant) as briefly as I can, and before moving to the main thrust of my arguments.

Earlier, I quoted Masood Khan, the ambassador for Pakistan, who has the matters that my hon. Friend raised at heart because the tensions over Israel are highly pertinent to our consideration of the Bill and the wider considerations of the international community

[Mr. Hayes]

about the use of these symbols. However, I did not quote Mr. Khan as extensively as the House would wish me to. He says:

"All sides are making honest endeavours to reach agreement. We must create the right kind of environment where we have understanding between the Israeli and Syrian national societies, because of the question of occupied Golan and whether the Syrian Red Crescent can operate there."

When I spoke of that earlier, the Minister intervened to suggest that there were indeed signs of progress and hope of a breakthrough. My hon. Friend the Member for Lichfield was right to raise the issue because Israel—a country with an outstanding record on humanitarian aid, which we saw during the tsunami and other events mentioned earlier—wants to be a member of the international community in these terms, and the efforts of Mr. Khan and others are designed to ensure that outcome.

I must move on, because—

Mr. Swire: Will my hon. Friend indulge me and give way on that point?

Mr. Hayes: Very briefly, but my hon. Friend is, I hate to say, becoming rather mischievous.

Mr. Swire: I am listening carefully to my hon. Friend. Does he not agree that if Israel wishes to be taken seriously in aid matters, particularly as far as the UN is concerned, it needs as a priority to clear up what went on at the United Nations Relief and Works Agency compound in Gaza?

Mr. Hayes: I will not go down that road—

Mr. Deputy Speaker: Order. I think that the hon. Gentleman will understand that he would now be right to resist some interventions and move forward a little.

Mr. Hayes: Thank for your instruction, Mr. Deputy Speaker. I hope that my hon. Friends will not attempt to divert me from my principal argument.

Before we started down this long tributary, I was going to speak a little about the Geneva convention, and particularly—

Mr. Walker: Will my hon. Friend give way?

Mr. Hayes: No, I am not going to give way again. We have had a good run on these issues, and I want to move to the main thrust of my argument. I have quite a good deal to say about the Second Reading of the 1957 Act, which has not yet had a proper airing. There will simply not be time to finish before 7 pm if I give way continually to my hon. Friend, much as I admire him and, more than that, have deep affection for him.

M. Léon Nyssen received a letter in French from the ICRC, quoting the acts of the Geneva convention of 1949. The conventions of this House will not allow me to read any French, nor will my imperfect grasp of that language, so with your permission, Mr. Deputy Speaker, I shall read it in translation. It states:

"On purpose it has been desired not to determine the shape of the red cross, which determination would have given way to dangerous abuses…If the shape of the cross had been determined in an immutable way, would not one try to justify attacks against buildings protected by the Convention, arguing that the symbols did not have the settled proportions?"

As my hon. Friend the Member for West Chelmsford said, nowadays it is normal in ordered, peaceful conditions for the red cross to be modelled more or less on the Swiss flag, or its reverse. However, it seems from old documents that before the 1950s the shape of the cross was usually much thinner, even one third of the width of the Swiss cross. Indeed, I had a look earlier and found out that even in the past 20 years, there have been small changes to how the cross is routinely presented.

Michael Fabricant: Will my hon. Friend give way on that point?

Mr. Hayes: I will happily give way.

Michael Fabricant: Is not the cross always represented with equi-length arms so as to distinguish it from the Christian cross, or have I got that wrong?

Mr. Hayes: No, that is precisely the case. That reinforces the argument that I have made at considerable length in response to the interventions by my hon. Friend the Member for Broxbourne. That is precisely why confusion should not, and for the most part does not, arise. The cross is drawn in essence not from Christian imagery but from a much more ancient image. The sign of the cross was used long before the Lord Jesus Christ died on the cross and so saved us from our sins. The misunderstanding that has arisen has surprised me, given the incisive and intelligent contributions that my hon. Friend normally makes. He has repeatedly come to the wrong conclusion.

Mr. Walker: Will my hon. Friend give way?

Mr. Hayes: Having been slightly critical of my hon. Friend, although I have said that I am immensely fond of him, I shall give way to him again.

Mr. Walker: I am greatly enjoying my hon. Friend's speech and I hope that he does not cut it short because I have nowhere to be this evening. If there were a vote on the programme motion, I would vote against it because I believe that the Bill should go into Committee and that we should conduct pre-legislative evidence sessions with the Red Cross. However, if we were voting on Third Reading tonight, would my hon. Friend vote with the Red Cross to introduce the red crystal or put his concerns on the record by voting against the measure?

Mr. Hayes: Like all responsible Members, I would listen to the evidence. I would not have a preconceived view of such a significant subject. I would listen to the measured arguments that the Red Cross and others made. It is odd that my hon. Friend argues for witness sessions but asks me to say what I would do before I heard the witnesses. That is no way to conduct our affairs and he should know better. I will not give way to him again—it merely encourages him.

If I do not make progress, I will have no chance to speak about the contribution of the hon. Member for Plymouth, Devonport division (Miss Vickers) on Second Reading in 1957. Unless we consider that, I do not understand how we can reach any conclusion.

Mr. Graham Stuart: My hon. Friend is making a powerful speech. He is aware—although some other hon. Friends are less so—of the power of the original red cross symbol and knows that any attempt to dilute it will remove some of its almost magic qualities on the battlefield of ensuring that those under it are protected. I congratulate him on his view. He is also right that we need to hear more evidence. As my hon. Friend the Member for Broxbourne (Mr. Walker) said, we need to hear from the Red Cross, and driving through a programme motion today is singularly inappropriate.

Mr. Hayes: I am delighted that my hon. Friend has not joined that army of guilt-ridden bourgeois liberals to whom I referred earlier. He has no doubt in his heart about the use of the cross because it might be perceived as Christian. Not only does he accept my argument that its lineage is much longer, but he has no guilt about the Christian heritage of western civilisation. I must not go down that track.

Let me refer to the 1957 debate because the then hon. Member for Plymouth, Devonport division made a major contribution to Second Reading of the Bill, which became an Act and which the measure amends. She spoke with considerable authority because, as she told the House on that occasion, she had worked for the Red Cross in this country and overseas for many years. She was therefore especially enthusiastic that the Bill should become an Act. She described the work of the Red Cross—barely 11 years after the last great war—as invaluable, not only in war but in peace. She wanted to address her remarks particularly to the work in which she had been involved with civilians. We would now call it humanitarian aid, although I am not sure whether that term existed then. She drew attention to the articles that specifically applied to civilians and discussed article 100, which deals with civilians in times of war.

Stimulated by a brief examination of that speech, I took a close look at the 1957 Act itself. I hope that other hon. Members have done that. I do not mean to sound critical, but I hope that the Under-Secretary will say rather more about that measure in her summation than she did in her introductory remarks. The Bill can be seen only in that context and the wider context of the conventions that had their genesis in the 1860s, but still apply, in their form and practice, throughout the world today.

The pressures of time and my anxiety for this debate to finish before the House rises are such that I will not say a great deal more about the 1957 Act at this stage. However, I want to conclude my remarks with a number of questions for the Minister. They are questions that have arisen not only from today's debate, but from the consideration of the Bill, the international debate about such matters and the context that I have described. The questions focus on five or six areas.

The Minister needs to tell the House what evidence exists of attacks on Red Cross or Red Crescent personnel that have their origin in resistance or hostility towards those emblems. I have yet to hear any evidence in this debate that those attacks have been about the emblems, rather than about something more fundamental or more contextual. Unless evidence is brought forward that those emblems have stimulated hostility, the argument for a new symbol will be less persuasive.

The second question to which I want the Minister to respond relates to the timetable and the costs of the change. It is perfectly reasonable for the House to want to know what time scale the implementation of the new measures will be governed by. The Minister will also want to bring to the House's attention the notional costs of implementation, which her Department will surely have drawn up.

To reflect this afternoon's debate, the third question for the Minister to answer is about how much consideration was given to the accommodation of those who are hostile to the symbol of the cross and about how much counter-consideration was given to the adoption of the cross as a universal symbol. I do not want to reprise the argument of the 1870s today, but one understands why a compromise was reached to deal with the complaints of the Turks then.

However, if a new symbol were to be established that was designed to have universal appeal, it is as good an argument to say that it should have been the cross as it is to suggest that it should be a new crescent. There are perhaps even stronger arguments for reverting to something that is already well established, because the battle is half won, if I can put it that way. The crescent would take considerable time to gain the kind of recognition that the cross already enjoys.

Mr. Walker: Will my hon. Friend give way briefly?

Mr. Hayes: I will give way very briefly, because like an indulgent father, I seek to learn from and to teach my hon. Friend.

Mr. Walker: I only try to be helpful. In his last sentence, my hon. Friend talked about the red crescent, when I think that he meant to say "red crystal".

Mr. Hayes: I did mean to say that. I am grateful to my hon. Friend, who has illustrated my very point: that I learn from him almost every day.

The final question relates to scrutiny of the legislation. We have had a brief debate, and the argument has been made that we should have had more time to consider the Bill. It has even been suggested that we should have had witnesses. I do not necessarily agree with that, but I would be interested to hear the Minister's perspective on it. Could we have benefited? Might the debate have been better informed if we had been able to scrutinise the Red Cross in the way that hon. Members have suggested? I make no judgment about that, but it is at least worthy of a ministerial response.

I am sorry to have had to abridge my remarks in the interests of the whole House, because there is much more that I wanted to say. I know, however, that these matters will be aired fully in the summations. It is to be hoped that, as the Bill wends its way through this House and the other place, we will have longer and more detailed discussions about its origin and its effect, and about the possible problems that it might give rise to. Having said that, this is a relatively non-controversial measure, and it is not one that the House will want to hear too much more about, either from me or any other hon. Member.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. Before I call the next speaker, I have to announce the result of a Division deferred from a previous day. On the motion relating to the Ecclesiastical Offices (Terms of Service) Measure, the Ayes were 362 and the Noes were 21, so the Question was agreed to. I also have to announce the result of a Division deferred from a previous day on the motion relating to the May day Adjournment. The Ayes were 304 and the Noes were 103, so the Question was agreed to.

[The Division lists are published at the end of today's debates.]

4.26 pm

Mr. Christopher Chope (Christchurch) (Con): Mr. Deputy Speaker, that last result that you read out will be of great interest to people outside the House. We are increasingly getting a reputation for wanting to curtail our proceedings, but that vote shows that no fewer than 103 of our colleagues want the House to sit on May day bank holiday in order to hold the Government to account.

I want to express my disappointment that my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) has curtailed his remarks. I hope that he did not do so in order for me to take over from him, because I cannot follow his act. Indeed, if there were a crystal award for conciseness and clarity—whether a red crystal or an ordinary one—he would receive it.

I want to make a few comments about where we are getting to with the red cross symbol. I was rather depressed to read the summing up by Lord Malloch-Brown in the other place on 27 January, in which he explained what he expects to happen as a result of what a number of colleagues have called a dilution of the symbolism of the red cross. He asserted that it was not the Government's intention to destroy the Red Cross, stating that

"the British Red Cross is safe with this Government".

[Laughter.] I note that that has caused derisive laughter among some of my colleagues. Lord Malloch-Brown went on to say that

"over time, we expect more and more countries to avail themselves of the Red Crystal because unfortunately the polarisation around religion and religious symbols seems likely to grow rather than dissolve as the world moves forward."—[*Official Report, House of Lords,* 27 January 2009; Vol. 707, c. 197.]

He sees that process as inevitable, but I find that outlook very depressing. He effectively said that the Government are engaging in appeasement. Indeed, the whole of the British and international Red Cross movement now seems unwilling to hold the line that the red cross and red crescent symbols are not religious or political symbols. That line has now been abandoned, and we shall increasingly find ourselves in a mess.

This will mean that the great intentions of the founder of the Red Cross movement, Henry Dunant, will not be able to be realised. In 1863, he set out the basis for a new symbol, stating that it needed to be simple, identifiable from a distance, known to everyone and identical for friend and foe. The emblem had to be the same for everyone and universally recognisable. It is apparent from today's debate that there will be a proliferation of different symbols, which will inevitably not be so clear or identifiable from a distance. Those symbols will not be the same for everyone, and it will be even more difficult to obtain universal recognition for them. I therefore think that this is a retrograde step.

One of my hon. Friends has said that the red crystal symbol could easily be mistaken for other symbols already used by the military. My recollection from driving across Salisbury plain is that the red crystal symbol relates to roads that are used by tanks. I am sure that there are all sorts of other uses of that symbol, which could create confusion rather than clarity. One is left wondering why the principles enunciated in the first Geneva convention passed in 1864, which is popularly regarded as the time when modern international humanitarian law was begun, are now being undermined. I fear that the Government and the international community have not thought this through. I am not sure whether appeasement will get us anywhere—in fact, I am certain that it will not.

My second point relates to scepticism about the United Nations and other international organisations that use high-flown words and phrases. The Bill inserts schedule 7 into the Geneva Conventions Act 1957. The preamble contains all that language with which we are so familiar, but which does not mean anything whatever. If it meant something, relatively few countries would want to sign up to the schedule.

The preamble says, among other things, that the signatories to the schedule would have to note that

"this Protocol is without prejudice to the recognized right of High Contracting Parties to continue to use the emblems they are using in conformity with their obligations under the Geneva Conventions and, where applicable, the Protocols additional thereto".

It goes on to stress

"that the distinctive emblems are not intended to have any religious, ethnic, racial, regional or political significance".

In order for countries to sign up to the schedule, they have to accept that the existing symbols of the red cross and the red crescent do not have

"any religious, ethnic, racial, regional or political significance",

but it is quite apparent that they do not actually believe that. Will that prevent them from signing up to this convention?

The preamble goes on, emphasising

"the importance of ensuring full respect for the obligations relating to the distinctive emblems recognized in the Geneva Conventions, and, where applicable, the Protocols ... thereto",

while recognising

"the difficulties that certain States and National Societies may have with the use of existing distinctive emblems".

These are the typical weasel words that we find in so much of this type of legislation.

What concerns me as much as anything is the fact that those symbols are not going to be enforced. We have had the recitation of a number of horrific incidents across the world where no respect whatever has been shown to these symbols, whether they be a red cross, a red crescent or, indeed, a red crystal. What is happening now is that people risking their lives on overseas expeditions in order to serve the cause of humanity are being picked off, and the people who attack them are beyond and above the law because there is no way of enforcing the sanctions against them that should be entered into under the Geneva conventions and associated protocols.

I feel that, in a sense, the debate is taking place in a vacuum, under the illusion that somehow it will make some difference on the ground, when we know that in almost all the areas in which the United Nations currently operates, the "host countries" have not even complied with, or put their signatures to, the conventions that we are discussing. I wonder whether we should tell the United Nations that it should not enter those countries unless or until they are prepared to sign up to what are very basic humanitarian agreements. That might concentrate some minds.

The Government have done the House a disservice by producing a regulatory impact assessment which is far from adequate. As my right hon. Friend the Member for East Yorkshire (Mr. Knight) has pointed out, the section on the small firms impact test does not take account of the fact that a fair number of organisations already use the expression "red crystal". Although that symbol has not been recognised as a registered trademark, many organisations would not have wanted to register it, because they would not have thought it worth registering. Small firms using that symbol may be caught out by the legislation, which will criminalise the use of that symbol or those words. I hope that the Minister will respond to the real concerns on that subject.

I shall make my remarks extremely brief, but I find it extraordinary that, for the second time in as many Bills, not a single Government Back Bencher has participated on Second Reading. The first occasion was the Second Reading debate on the Industry and Exports (Financial Support) Bill, which took place two or three weeks ago—on the very day on which the Government Chief Whip addressed the Press Gallery, saying that he wanted to enter into a new compact with members of his party involving their participating in our affairs. That compact may have just been spin, and it is certainly not working. I find it extraordinary that the Government, or their Back Benchers, seem to have given up.

Mr. Greg Knight: One issue on which the Minister has given no answer to those Conservative Members who have raised it is the date of commencement for the proposed legislation. If the Bill is as welcome and as overdue as the Minister would have us believe, why does clause 3 not specify a commencement date?

Mr. Chope: I hope that the Minister will respond to that question. When I examined the detail, it was apparent to me that as soon as the Bill was passed the Government could ratify the protocol, and that under the terms of the protocol the measure would come into effect six months after ratification. I am not sure about the significance of the fact that we have no clear commencement date, but perhaps the Minister will clarify the matter.

Mr. Hayes: Does my hon. Friend agree that it would be unfair to point out not only that few Labour Members have spoken—[HON. MEMBERS: "None!"]—but that Labour Back Benchers have been entirely absent from the debate? Would it be unfair to put that on the record, or shall I do so?

Mr. Chope: I do not think that putting the truth on the record can ever be regarded as unfair. My hon. Friend has effectively criticised me for being unduly generous to Government Back Benchers by failing to draw attention to the fact that none are present, let alone participating in the debate. But let us hope that they will support us in the Lobby and oppose the programme motion, which will enable more of them to participate in the remaining stages of this very important Bill.

Mr. Graham Stuart: I wonder whether my hon. Friend agrees that we must look for every opportunity to allow Labour Members of Parliament to engage in Parliament, especially given the fact that the Leader of the House has said that 5 per cent. of Labour Members are "bone idle".

Mr. Chope *rose—*

Mr. Deputy Speaker: Order. We have probably dealt sufficiently with the question of attendance in the House. Perhaps the hon. Gentleman will move on to the Bill.

Mr. Chope: Absolutely, Mr. Deputy Speaker. It is worth pointing out, however, that, by convention, a Second Reading debate in the House takes up one whole day. Earlier we saw some movement on the Government Benches suggesting to me, if not to others, that there might be some move on the part of the Government to try to curtail this very important Second Reading debate, just because no Government Back Benchers wanted to participate. I hope that we will not have a situation where, because one side does not wish to participate, the other side is prevented from being able to exercise their democratic right to hold the Government to account.

That is the situation with this Bill. A series of important questions have been raised. Were the Government to try to put the Question, it would deprive the Minister of the opportunity to respond to those real concerns. Because a lot of time is still available, I hope that the Minister will not feel inhibited in any way and will respond as fully as possible to the concerns that so many Conservative Members have properly made about the Bill.

4.41 pm

Gillian Merron: We have had a comprehensive debate. We have heard immense support for the British Red Cross and the International Red Cross and Red Crescent Movement, which I welcome. In the round, I will take from the debate that the Government have support from most, if not all, of the House to implement these measures. Doing so, as I said earlier, will help to safeguard the invaluable work of UN, medical and other personnel worldwide.

In picking up the main themes of the debate and reminding the House why we are here, particularly in respect of clause 1, I can do no better than to refer to the letter and briefing that were made available to every right hon. and hon. Member from the chief executive of the British Red Cross. I am sure that it has been widely read in advance of today's debate:

"Ratification of the Protocol will give the United Kingdom Armed Forces the ability to use the red crystal emblem in situations where it may provide them with greater protection. It will also consolidate the United Kingdom's position as one of the leading States in respect for and implementation of international humanitarian law. The British Red Cross is fully supportive of these provisions and hope that we may be able to count on your support in ensuring their safe passage through Parliament."

[Gillian Merron]

I want to pick up some of the questions that have been raised today. Clause 1 refers to the extension of the emblems to include the red crystal. First, on the important matter that right hon. and hon. Members have raised about getting better recognition through a newer symbol than the red cross and red crescent, I do not foresee, nor has the international movement made me aware of, any of the difficulties that right hon. and hon. Members have outlined. It is true, however, that recognition of the red crystal will have to increase, and we will train our armed forces. I know that the International Red Cross and Red Crescent Movement will play a full part in the through training and promotion of that important emblem. It will take time, but we have to start somewhere. Ratification is our contribution to that start.

The question of which emblem should be used has been raised, and I reiterate what I said in my opening remarks. That is a decision for those who will use the emblem, whether it is the national societies or the military commanders in theatre. We do not keep a list of countries and their likely attitudes to that matter and believe that such decisions are best made by those who use the emblem.

Mr. Hayes: It is my understanding that the emblems can be used alone or in combination, which could lead to an extraordinary range of approaches in different countries. Is that likely to be confusing?

Gillian Merron: I have a lot of respect for the International Red Cross and Red Crescent Movement and its experience, and it has requested this change. When emblems are used as protection against attack in a conflict situation, they cannot be used in combination. Only one of the three distinctive emblems will be used for protective purposes. But in non-conflict and domestic situations, a national society could choose to use the red cross, the red crescent or the red star of David within the red crystal in conformity with the relevant national legislation, which is another reason why the Bill is important. The British Red Cross could, therefore display an emblem showing the red cross within the frame of the red crystal, but only to promote its activities within the UK.

A further area of questioning concerned what would happen if there were attacks on those using the new or existing symbols, which relates to the issue of protection. As right hon. and hon. Members have said, the emblem is not a literal shield around people, much as we might like it to be. Prosecution will be a matter for national prosecuting authorities, and by ratifying these protocols we will send a message to others to do likewise and give impetus to the promotion of a third protective symbol.

Reference has been made to existing users and the regulatory impact assessment. We do not foresee any impact on businesses or charities, and there has been full consultation across Government. There are protections in clause 1(5) for existing users of the red crystal, which apply except where there would be confusion in armed conflict. Not only does that reflect article 6.2 of the protocols, so other countries will have the same rules, but it is unlikely that a ladies dress shop or a book title will cause confusion in armed conflict situations.

On the issue of control of use in the future, that would only apply where it is justified in the public interest.

On definitions in respect of clause 2, the important point is that those categories represent a sensible widening of scope, something that we do not have at present. It is true that there is no single agreed definition for peace building, but we do not anticipate a problem in practice. Peace building, as right hon. and hon. Members will be more than well aware, is the phase after peace making and peacekeeping when a violent conflict has slowed down or halted.

Humanitarian assistance is, as right hon. and hon. Members know, deployed at times of humanitarian crisis, such as natural disasters. Political and development assistance is always part of a long-term solution to provide a lasting strengthening of a nation's capability and capacity to recover from times of trouble.

Several points were raised about procedure, such as the time taken to bring the Bill before the House. Right hon. and hon. Members know that, as with any legislation, we need to find a place for it in the legislative programme. We prepared the Bill by working closely with the British Red Cross, to which I again extend my appreciation and thanks. Once the parliamentary process is complete, the UK will ratify the protocols as soon as possible, and statutory instruments will be laid to give effect to them. There are no significant financial implications.

On the question of scrutiny, right hon. and hon. Members know that the Bill started life in the other place and that it is not practice to take evidence on Bills that do so. However, this Bill is destined for the scrutiny of the whole House in Committee, so there will be no parliamentary opportunity for an evidence session. I repeat that the Bill has been prepared and drawn up in full consultation with the British Red Cross, which has used its expertise to bring many great aspects to the Bill.

On clause 2 and the Bill's coverage, the protocol covers only UN workers. However, we continue to press for a fuller set of protections—for example, for those who work for Save the Children or Oxfam. Of course, other criminal offences can be committed by people who attack humanitarian personnel, whoever they work for.

On the international legislative position, I reiterate that five countries with UN missions in their territories have signed the protocol. For us, the adoption of the protocol is a very serious matter and a demonstration of the importance that we place on it. In reality, we are seeking to lead by example, but we will continue to lobby international partners to do likewise. As we have heard, 87 countries have ratified the convention. A further 34 countries have signed the protocol, and 16 have ratified it. The protocol will come into force once 22 countries have ratified it.

A question was asked about the protocol's application. The convention and the protocol apply not only in states that have ratified them, but wherever a UN operation is taking place, so people can be brought to justice in the UK for acts committed elsewhere.

A question was asked about whether the Bill should amend the list of offences in the United Nations Personnel Act 1997. No further change is needed under the Bill, and any necessary consequential amendments were made when sections 1 and 2 of the 1997 Act were changed.

Mr. Greg Knight: The Minister is being very generous in giving way—I appreciate it—but will she tell the House whether this is the first Bill that we have ever debated that contains a logo in the schedule?

Gillian Merron: It is tempting to answer, but I am afraid that I cannot. I will happily write to the right hon. Gentleman to give him an accurate reply, but I would not describe the red crystal as a logo; it is an emblem of protection, which is certainly how the International Federation of Red Cross and Red Crescent Societies seeks to present it.

A question was asked about the difference between optional and additional protocols. There is no such difference in legal effect. The truth is that the terminology is not always consistent, contrary to what one might like. The word "optional" is used because Governments can decide whether to become party to such a protocol, which commits only those who ratify it.

Further questions were asked about why this is a reserved matter, the extension to the overseas territories and other areas. Such things are, of course, quite normal in the UK legislative framework.

In closing, I ask the House to join me in paying tribute to all those courageous men and women who continue to work under the most difficult and dangerous conditions to save and improve the lives of others. The majority of us have been spared the horrors of war, but for those caught up in conflict, we can only imagine their sense of relief and gratitude for the humanitarian support provided by the UN, the Red Cross, the Red Crescent and the many other organisations that do such work. In passing the Bill, we will make our own small but significant contribution to their efforts. I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read a Second time.

GENEVA CONVENTIONS AND UNITED NATIONS PERSONNEL (PROTOCOLS) BILL [*LORDS*] (PROGRAMME)

Motion made, and Question put forthwith, (Standing Order No. 83A),

That the following provisions shall apply to the Geneva Conventions and United Nations Personnel (Protocols) Bill [*Lords*]:

Committal

1. The Bill shall be committed to a Committee of the whole House.

Proceedings in Committee, on consideration and on Third Reading

2. Proceedings in Committee, any proceedings on consideration and proceedings on Third Reading shall be completed at one day's sitting.

3. Proceedings in Committee and any proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption.

4. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption.

5. Standing Order No. 83B (programming committees) shall not apply to proceedings in Committee, any proceedings on consideration or proceedings on Third Reading.

6. Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed.—*(Ms Butler.)*

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Alan Haselhurst): I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 452, Noes 16.

Division No. 94] **[4.53 pm**

AYES

Abbott, Ms Diane
Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Alexander, Danny
Allen, Mr. Graham
Amess, Mr. David
Ancram, rh Mr. Michael
Anderson, Mr. David
Armstrong, rh Hilary
Atkinson, Mr. Peter
Austin, Mr. Ian
Bacon, Mr. Richard
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Baldry, Tony
Banks, Gordon
Barker, Gregory
Barlow, Ms Celia
Baron, Mr. John
Barrett, John
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Mr. Henry
Benton, Mr. Joe
Benyon, Mr. Richard
Beresford, Sir Paul
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunt, Mr. Crispin
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Bradshaw, Mr. Ben
Brazier, Mr. Julian
Breed, Mr. Colin
Brennan, Kevin
Brokenshire, James
Brooke, Annette
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Browning, Angela
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butler, Ms Dawn
Butterfill, Sir John
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Greg
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cormack, Sir Patrick
Cousins, Jim
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davis, rh David
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Djanogly, Mr. Jonathan
Dobbin, Jim
Dobson, rh Frank
Donaldson, rh Mr. Jeffrey M.
Doran, Mr. Frank
Dorries, Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Engel, Natascha
Ennis, Jeff
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul

Follett, Barbara
Foster, Mr. Don
Foster, Michael Jabez *(Hastings and Rye)*
Fox, Dr. Liam
Francis, Dr. Hywel
Fraser, Christopher
Gale, Mr. Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gibson, Dr. Ian
Gillan, Mrs. Cheryl
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hague, rh Mr. William
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hammond, Mr. Philip
Hammond, Stephen
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Healey, rh John
Hemming, John
Hendrick, Mr. Mark
Hendry, Charles
Hepburn, Mr. Stephen
Herbert, Nick
Hermon, Lady
Hewitt, rh Ms Patricia
Heyes, David
Hoban, Mr. Mark
Hodgson, Mrs. Sharon
Holloway, Mr. Adam
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howarth, Mr. Gerald
Howell, John
Howells, rh Dr. Kim
Hughes, rh Beverley
Huhne, Chris
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Khan, Mr. Sadiq
Kilfoyle, Mr. Peter
Knight, rh Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lammy, rh Mr. David
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Letwin, rh Mr. Oliver
Levitt, Tom
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Main, Anne
Malik, Mr. Shahid
Malins, Mr. Humfrey
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Moss, Mr. Malcolm
Mullin, Mr. Chris
Mundell, David
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Öpik, Lembit
Osborne, Mr. George
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Paice, Mr. James
Palmer, Dr. Nick
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Pritchard, Mark
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rosindell, Andrew
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Shepherd, Mr. Richard
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Simpson, Alan
Simpson, Mr. Keith
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Starkey, Dr. Phyllis
Steen, Mr. Anthony
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Taylor, David
Taylor, Mr. Ian
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Walley, Joan
Ward, Claire
Waterson, Mr. Nigel
Watkinson, Angela

Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, rh Malcolm
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Mr. Rob
Wilson, Sammy
Winnick, Mr. David
Winterton, Ann
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mark Tami and Helen Goodman

NOES

Binley, Mr. Brian
Bone, Mr. Peter
Brady, Mr. Graham
Davies, David T.C. *(Monmouth)*
Heathcoat-Amory, rh Mr. David
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Knight, rh Mr. Greg
Leigh, Mr. Edward
Redwood, rh Mr. John
Stanley, rh Sir John
Syms, Mr. Robert
Turner, Mr. Andrew
Walker, Mr. Charles
Wilshire, Mr. David
Winterton, Sir Nicholas

Tellers for the Noes:
Mr. Graham Stuart and Mr. Christopher Chope

Question accordingly agreed to.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

PENSIONS

That the draft Occupational Pension Schemes (Contracting-out) (Amendment) Regulations 2009, which were laid before this House on 23 February, be approved.—*(Ms Butler.)*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Motion in the name of Mr. David Cameron relating to the Non-Domestic Rating (Collection and Enforcement) (Local Lists) (Amendment) (England) Regulations 2009 may be proceeded with as if Standing Orders Nos. 16 (Proceedings under an Act or on European Union documents) and 17 (Delegated legislation (negative procedure)), were applicable thereto.—*(Ms Butler.)*

Rating and Valuation (S.I., 2009, No. 204)

5.11 pm

Robert Neill (Bromley and Chislehurst) (Con): I beg to move,

That the Non-Domestic Rating (Collection and Enforcement) (Local Lists) (Amendment) (England) Regulations 2009 (S.I., 2009, No. 204) dated 5 February 2009, a copy of which was laid before this House on 10 February, be revoked.

It is a pleasure to return yet again to the issue of the effect of certain changes in port rating. Before the Minister looks up in despair, I should say that I return to it without apology. This debate gives us an opportunity to look not only at the issue set out in the regulations, but at what has given rise to the regulations. The regulations attempt to provide a measure of relief to port businesses that, on any objective measure, have been subject to gross injustice and unfair treatment. This debate gives us the opportunity to address that issue once again.

Mr. Frank Field (Birkenhead) (Lab): Some of us on this side of the House have to make up our minds about what to do, so it would be helpful to know at the beginning how the Opposition are going to vote on the motion.

Robert Neill: If the right hon. Gentleman is patient and listens to me, he will be enlightened in due course. It will help him if I put everything into context; that will lead him to where we are going to be.

How has this regulation come about? It is an attempt by the Government to pick up some of the mistakes of the Valuation Office Agency, for which the Department for Communities and Local Government does not have direct responsibility, but which is the responsibility of the Treasury. Those mistakes were made at a time when, ironically, the Prime Minister was Chancellor of the Exchequer. I do not know whether that had anything to do with the Treasury's having taken its eye off the VAO, but that is the simple chronology of the matter.

What has arisen is this: after the 55 registered ports were denationalised—for good reasons—it was initially decided that they should be rated under a system different from that relating to other businesses in the UK. Rates were raised through a system of prescription by the Secretary of State. The payments generally took place through a system known as the cumulo, in which the port businesses—the warehousemen, the stevedores, the crane operators, the importers of vehicles, the engineers and so on—paid their rents and rates to the port owner. In due course, the rate element was paid to the local authority, which had a duty to collect. The rates were then paid to the Treasury, as they were national non-domestic rates.

It was a reasonable enough proposition back in 2003 for the Government to decide to move to normal rating practice for the businesses in the ports and to move away from the cumulo. We could have debated the matter separately, but it is not the main issue. To achieve that change, the VOA was tasked with drawing up an up-to-date rating list, and that is where the catalogue of errors starts. The prescription system had in fact been extended to 2005. The VOA has a statutory duty to maintain accurate rating lists and that was due to come

[Robert Neill]

into force on 1 April 2006. Of course, today is a particularly important day for us to be discussing the issue of rating because it is the quarter day—many people are filing and so the rate bills are dropping on their doormats.

The practical effect of the VOA was, frankly, woefully negligent and inadequate. It did not start the preparatory work until after the due date in 2006. It managed somehow to inform the owners and operators of the ports but not generally the businesses that they would be rated separately and that, in effect, they were to be rated as separate hereditaments and rating units rather than under the cumulo system. So, although many of the big boys—the operators—knew of the change, the small and medium-sized businesses did not. They were not kept adequately informed. The VOA accepts that, in what I suspect is almost as mealy mouthed an apology as when Pontius Pilate said in another place that he might have got it wrong. In a limited fashion, the agency accepts that there was inadequate communication, which puts it mildly. There was no communication at all and there was gross negligence on the part of the VOA.

Mr. Robert Syms (Poole) (Con): This does not only affect large companies. Some quite small companies in the ports, such as those providing catering services and so on, are having their viability threatened by something that has come as a great surprise to them.

Robert Neill: My hon. Friend is absolutely right. As the businesses were given no notification, they were not able to plan for the increase in rates in the way that they ordinarily would. In the course of last year, those businesses were suddenly told—two years after the event—not only that they would be subject to a significant increase in rates, but that those increases in rates would be backdated to 2005. That is why businesses in ports across the country are experiencing enormous increases in their rates, in both real terms and cash terms.

Julia Goldsworthy (Falmouth and Camborne) (LD): Does the hon. Gentleman agree that is was a double insult to those businesses when they found out not only that they were landed with a rates bill that they had not expected, but that it would be retrospectively applied? It was a double insult and not just a bolt out of the blue.

Robert Neill: The hon. Lady is absolutely right. I know that we make common cause on this issue. A number of Labour Members have raised exactly the same point.

A number of parliamentary answers have disclosed that the way in which the Government subsequently handled the issue does them no credit. The initial fault lay with the VOA, but the Government have failed to do anything to rectify it. We have a retrospective increase in taxation about which there was no communication, no consultation, no impact assessment, no assessment of the likely revenue to be raised and no assessment of the impact on the wider economy. There was no quantifying of the revenue or the economic impact, which was a clear breach of the Treasury's guidelines on the imposition of retrospective taxation. This is not just a complete foul-up in practical terms; it is thoroughly wrong in principle—*[Interruption.]* I am glad to see that the right hon. Member for Birkenhead (Mr. Field) is following me so far.

Mr. Frank Field: How are you going to vote?

Robert Neill: I see that the right hon. Gentleman, who likes to hear a tale unfold, is following me closely. I am sure that he is getting the drift.

We are now finding that businesses are being hit by massive and unsustainable bills. It is worth giving a few examples. TTS Shipping Ltd. is a small firm, but well organised—a viable company under any normal circumstances. It pays its way; it is important to stress that in this context. It pays corporation tax, national insurance contributions and PAYE of £425,000 to £860,000 a year. These are not fly-by-night people—they are honest businesses paying their way and doing their bit. In 2007, TTS found that it had a retained profit of £40,000. It has now been saddled with a backdated liability for rates of more than £1 million, which it will not be able to pay—it is as simple as that.

This regulation affects big people too; I am always interested in treating the big and the small equally, as hon. Members will appreciate. DFDS Tor Line, one of the major multinationals operating in the UK, has a backdated rates demand of £9.9 million. Even for a major operation, that is a lot of money. Its increase in annual liability is £3 million. Its managing director has written to indicate that, as a result, his main board is considering relocating the business outside the UK. That is very significant. The major international players, particularly on the Baltic and North sea routes, have the option, when transporting cars and other goods, to offload in Amsterdam or Rotterdam and then bring the goods on via road instead of shipping them in direct, so that British competitiveness in the ports is damaged.

My final example is Freshney Cargo Services. Its bill has gone from £48,000 to more than £850,000—massively more than its best-year-ever profit. Its retrospective liability is £24 million, for which it could never possibly plan. There is no way that these business can meet the unintended consequences of this foul-up by the VOA.

Mr. Ian Cawsey (Brigg and Goole) (Lab): The hon. Gentleman has said a lot about the retrospective element that is being applied to these companies. Does he accept, and want to place on the record, the fact that none of those companies is saying that they do not accept that they must pay business rates and will not do so in future—that this is entirely about retrospection, and we cannot tell them to go back three years when they cannot go back to their customers and ask for the money?

Robert Neill: The hon. Gentleman is absolutely right; he makes a powerful point. I know that he has taken an interest in this issue, and I hope to heavens that the Minister listens to him. It is not reasonable for companies to have to expect to go back in that way.

Mr. Austin Mitchell (Great Grimsby) (Lab): The hon. Gentleman got the figure on backdated payments for Freshney Cargo Services wrong: it is not £24 million, but £3.2 million. The managing director, Mr. Andy Dixon, has asked me to ask the hon. Gentleman whether the Conservatives are going to vote against the measure.

Robert Neill: We will try terribly hard to put the hon. Gentleman out of his misery. He is right—I left out the decimal point. I thought that it was £2.4 million, but it has gone up; now it is even more.

[HON. MEMBERS: "How are you going to vote?"] The more hon. Members want to ask questions that I am not going to answer yet, the longer this will go on. How they exercise themselves is entirely a matter for them.

The genuinely serious question that arises is how to deal with this creation, which is certainly not the fault of the businesses that were unable to plan for it. This has been debated time and again. The hon. Member for Great Grimsby (Mr. Mitchell) secured a Westminster Hall debate, which was well attended and where the case against the Government was comprehensively put. We prayed against the motion to enable us to have a debate in the Commons. The matter was recently debated in the other place, where—owing to its procedure—a non-fatal motion of regret was passed by their lordships, giving them the opportunity to ventilate the inadequacy of the Government's response to the situation. Their response—I am sure that the Minister will explain it to us patiently, as he has before—is to enable the liability to be spread over eight years. That is all well and good, but it does not solve the basic problem that still arises: the liability is still there and businesses will still have to pay a massive amount that they can ill afford. Moreover, because the liability accrues in one year, it will have to be carried on to their books as a liability in the first year, even though the payment is spread over a longer period.

Tim Loughton (East Worthing and Shoreham) (Con): My hon. Friend makes a powerful point, and many of us who have harbours and ports in our constituencies have heard it first hand. Is the timing of the measure not doubly insensitive? The port in my constituency has many businesses importing timber and building materials for the building industry, which has been particularly hard hit. Those businesses are being asked to take a hit at a bad time in the economic cycle, when their balance sheets are pretty shot to ribbons, and it will push them absolutely over the edge in some cases.

Robert Neill: My hon. Friend is absolutely right. Businesses are caught in an impossible dilemma. They cannot pay with the resources that they have, and with freight rates at an all-time low, their only recourse is to attempt to pass on costs elsewhere, which affects the other businesses that are in turn dependent on them. It is economic nonsense to embark on this course in the current economic situation.

Mr. John Redwood (Wokingham) (Con): Does my hon. Friend agree that this is an issue for the Minister, who now has the opportunity to move on the policy? Since the policy was ham-fistedly put together, the Government have converted to the view that they must do whatever it takes to sustain business through the recession. The regulations are quite incompatible with that policy.

Robert Neill: My right hon. Friend goes absolutely to the point, as he invariably does on these matters. The regulations fly in complete contradiction to the Government's policy, and one of the reasons why this debate is particularly timely is that it would enable the Government to do the same for the ports as they did for business rates increases yesterday, when the Chancellor said that he recognised that a 5 per cent. increase was unsustainable, and had to back off from that. Some ports are suffering from a 200 or 300 per cent. increase. If 5 per cent. was too much and had to be abandoned, the regulations should be abandoned, too, and we are giving the Minister the opportunity to recant, even at this late stage.

I shall make a couple of points before I move on, because I know that other hon. Members want to speak. The Government had clear warning in advance about the issue of the liability being booked. In February, the Insolvency Service wrote to the Minister and said:

> "The debt, like any other, would need to…be booked immediately. Depending on the company's overall financial strength, it may not have the assets to cover this additional liability."

That is a modest statement; that is the least of it. The letter continues:

> "In such circumstances, the company would be balance sheet insolvent."

Legally, if the company had a reasonable prospect of paying, it could continue to trade, but that balance-sheet insolvency, as anyone with even the most modest involvement with practical business would know, increases its cost of borrowing. It would make it much harder for the company to raise finance, and if it does, it would be more expensive to do so. That is a significant indirect burden, alongside the liability itself. It also makes a company far less robust if it experiences further commercial difficulties or reverses during the recession. It makes the likelihood of that company going under far greater.

The Select Committee on Treasury, which reviewed the matter in considerable detail, concluded that there was not just a likelihood but a probability that businesses will become insolvent in that regard, and it thought that there was a strong case—"clear evidence" was the phrase used—that it would lead to the circumstances we described.

Derek Twigg (Halton) (Lab): I am sure that the hon. Gentleman is trying to build up to a crescendo, but we have waited patiently for the answer to a simple question. Given that he has already said on record that the Opposition are opposed in principle to the Government's position on matters that I have raised with the Minister, will he be voting against the regulations? And what is his party's policy?

Robert Neill: The hon. Gentleman has to hang on for only a little bit longer, because we are nearly there. I will tell him exactly what we propose because the Treasury Committee suggested a simple way forward. It said that we should retain the current valuations until the next revaluation in 2010. That would be a sensible way forward because it would enable the revaluation process, which businesses accept should take place, and which they accept will increase some liability for them, to be done with proper consultation and assessments so that they could plan their cash flow and future business plans. That would be the sensible, rational, joined-up way to do it, and we as a party have urged the Government to do that. The debate gives them an opportunity to do so, even though we do not oppose the eight-year payment period of itself. *[Interruption.]* I must say that I am surprised that hon. Members are surprised about that—all they had to do was read the speech of my noble Friend Earl Attlee in the other place. It is in *Hansard*—he made it clear that we are not opposed in principle to the eight-year period. However, for the reasons that I hope I have set out as clearly as I can, that period is not

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adequate to relieve the dilemma in which businesses have been placed, first by the failures of the Valuation Office Agency, and secondly by the inadequacy of the Government's response.

This is the last chance for the Government to announce in this House that they will do the same thing for port businesses that they have done before for others. We will not vote against the regulations, but we have vented clearly our views about them as we regard them as very important. That would scarcely be a surprise to the Minister if he had read what we said in the House of Lords. I suspect that he might have done, actually, but we wanted him to be able to listen to the argument unfold in a chronological fashion.

The debate will also give the many Members of all parties who are concerned about the impact of the regulations in their constituencies the chance to tell the Minister directly what is happening. I am afraid that many people, businesses and Members feel that they are meeting a blank wall when talking to the Government.

Mr. Austin Mitchell: In other words, the hon. Gentleman is telling us that we must wait for businesses on the docks to go insolvent and for jobs to be lost before the Opposition have the guts to do anything.

Robert Neill: With respect, I do not think that the Opposition can answer for the inadequacies of the response of the hon. Gentleman's party's Government. I know that he is ashamed of them, but there is no need for him to try to park the blame elsewhere—as he well knows, it lies entirely on the Treasury Bench. I remind him what the Opposition pledged to do in the Westminster Hall debate. We did not just urge the Government to adopt the Treasury Committee's all-party recommendation, and advocate that as a policy. As the Minister well knows, we also indicated that if primary rather than secondary legislation were required for that purpose, as the Government contend, we would do everything necessary to facilitate the passage of that legislation. I happen to know that the Liberal Democrats take the same view, because they expressed it.

At this moment, the Local Democracy, Economic Development and Construction Bill is before the other House. It touches on the powers of local authorities to assist businesses in their area. We have asked why on earth the Government do not table an amendment to that Bill. There is also a Finance Bill coming up in which they will have the opportunity to deal with rating measures. As the hon. Member for Great Grimsby knows, it is not for us to control that. We have given the Government the best possible evidence that, if they wish to go down that route, we will do everything to assist them to assist businesses. With respect to him, I cannot say fairer than that. We are giving Ministers every possible opportunity, but I cannot make them see the reality of the situation. If they fail to do that, and if businesses go under, it will not be the hon. Gentleman's fault, because he has raised the issue, but it will certainly not be the fault of Conservative Members, because we, too, have consistently raised it. It is the Government who will have failed and sold short the businesses in the docks.

5.33 pm

The Minister for Local Government (John Healey): I understand the concerns that have been raised and the pressure on the cash flows and margins of businesses that are affected by a backdated liability for business rates dating back to 2005. I also understand that some argue that we should go further than an unprecedented eight-year period in which to pay those backdated liabilities, but I want everyone to understand that voting down the regulations, which I laid before the House on 10 February, would leave the position of those businesses exactly as it was before we took action. In plain terms, let me give a warning: supporting the prayer that the Conservatives have tabled would mean that companies were legally liable to pay all the backdated business rates from now. It would also mean that councils were legally required to pursue and enforce those debts. That is at stake in the prayer that the hon. Member for Bromley and Chislehurst (Robert Neill) and his leader have tabled.

The debate has largely been about ports, but port businesses are not in a unique position. I therefore also want everyone to understand that the regulations that I tabled and the provision that the Government have made apply equally to businesses throughout England in all sectors and all areas, and not only to the ports-based businesses, which find themselves in the position of having significant and unexpected backdated business rates liabilities, incurred as a result of the Valuation Office Agency's separately listing them and assessing them for the first time in this rating list period.

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Does my right hon. Friend accept that the ports businesses are in an unacceptable position, which has been brought about by the action or inaction of the Valuation Office Agency, and that, although the Government's proposals are necessary, they are not sufficient?

John Healey: I shall explain shortly why I believe that the ports businesses are in not a unique, but a special position. There are some unacceptable pressures, created not least by the ports review, but I want to tackle the argument that Conservative Members and the ports lobby make that, somehow, the tax liabilities, which were legally established, should be waived. That is important. In the last financial year up to only 31 October, at least 800 companies, including some of the businesses in ports, were eligible for the payments scheme. That scope will be removed from them all if the regulations do not remain in place.

Backdating ratings assessments is not new, but an established feature of the business rates system. It operated the list that we are considering not only from 2005 onwards, but from 2000 onwards and before that. In 2004-05 alone, in the previous ratings list period, more than 1,500 properties were put on the list for the first time, with significant backdated liabilities in precisely the same way as the ports, about which the hon. Member for Bromley and Chislehurst and my hon. Friends are rightly concerned.

However, the concentrated number of companies in that position as a result of the Valuation Office Agency's ports review is special. Let me make it clear that the ports review was not a change in the operation of the system or a change in the law. The VOA was doing its

job and pursuing its legal duty to keep the ratings list up to date and accurate. That is why no impact assessment was undertaken beforehand. The ports review did not even constitute a change in the way in which the business rates system applied to businesses in ports.

My hon. Friends understand, although the hon. Member for Bromley and Chislehurst does not, that prescription was a method—a formula—for setting the rateable value of the ports operators, not the businesses in the ports. Before the ports review, 1,643 businesses in ports were separately listed and separately liable to pay business rates. In other words, three times as many ports-based businesses paid business rates on their account before the ports review than consequently paid them afterwards. In some cases, properties, which have been added and the addition of which is being contested, belong to businesses that already paid separately for other properties, sometimes in the same port.

Robert Neill: Given that it was the right hon. Gentleman's Government who extended the period of prescription until 2005 to enable the review to take place, has he ever had a proper explanation from the Valuation Office Agency of why it did not commence that review in a timely manner that was commensurate with the duty that he rightly said it has to have an accurate and up-to-date list, which it manifestly did not?

John Healey: There were three flaws in the way that the VOA conducted its ports review. First, it was clear before the Southampton container ports case was settled that a significant number of properties in ports should have been separately listed and paying business rates for some time, but were not doing so. Only after that was the legal position clear. I understand why that happened, but in hindsight it would have been better if the VOA had done some work before then. Secondly, the communication was not good enough, which is a point that the VOA's chief executive has conceded to Committees of this House. Thirdly—this, too, has been conceded by the VOA—more investigative work should have been done in conducting the ports review.

Things have taken longer than they should have. That is partly why we are in this position now, rather than earlier in the list period. However, none of that changes the principle or the argument that I have just set out to the House, which is that the ports review did not change the way in which the system operates, the policy or the legal basis, and it did not even change the application of the business rates system to businesses based in the ports.

Several hon. Members *rose—*

John Healey: I will give way first to the hon. Member for Canterbury (Mr. Brazier), then to my hon. Friend the Member for Cleethorpes (Shona McIsaac) and finally to the hon. Member for Falmouth and Camborne (Julia Goldsworthy). Then I will conclude my arguments, because I want to make some points that will allow the hon. Member for Bromley and Chislehurst to see why in principle I disagree so fundamentally with what he has proposed.

Mr. Julian Brazier (Canterbury) (Con): The Minister said that there were many examples in previous valuations where businesses outside ports found themselves with large backdated bills. However, the crucial question is: how many such businesses have there been and in what other sectors have people who had no idea that they would be eligible for separate rates suddenly been faced with an enormous four-year backdated bill?

John Healey: In every case that I have cited, it may have been the case that the business concerned could not have anticipated or prepared for what happened. In the case of the ports review, however, I simply do not accept that, for all the ports businesses now affected, what happened came completely out of the blue. Some of those businesses have highly paid advisers and some were paying separate business rates on properties that they were already operating. It is not the case that what happened hit those businesses totally unawares. That may have been the case for some, but it cannot be the case for all.

Shona McIsaac (Cleethorpes) (Lab): I thank my right hon. Friend for giving way and for the many, many meetings that he has had with Labour Members. I would be curious to know how many meetings he has had with Opposition Members. For businesses operating in ports, is not the crux of the matter the fact that they believe that they will be paying double? They are not arguing about whether they have that liability; rather, they are arguing about the fact that they have already paid an amount to the operators through the cumulo system to cover business rates. Those businesses feel that it is grossly unfair that they are paying double. All the measures in the regulations we are debating are fine, but they do not address that point.

John Healey: My hon. Friend is absolutely right—unsurprisingly, because she champions her businesses and her constituency very powerfully. There is a strong perceived unfairness about the situation in which those businesses now find themselves, and I understand that. They argue that they have made a contribution to their business rates through their tenancy fees or the cumulo system.

The problem is that it is hard to pin that down, and there is no specific evidence in the contractual tenancy agreements. Where there is, the port operator would have to deal with that directly with the tenant. However, the terms of the tenancy arrangement and the fees that are paid are contractual matters and not, I am afraid, something that I or the Government can step in over. However, I have directly encouraged Associated British Ports and Peel Ports to take a sensible and practical approach to their tenants, because they have no interest in those tenants not being able to continue in business.

Julia Goldsworthy: Is it not the case that the problem for those businesses was not their future liabilities or any objection to the standardisation of the system, but the fact that they did not have the full facts available when they needed them most? That made it very difficult for them to predict the impact of the measure on their business. Is not that the nub of the problem? The measure has been retrospectively applied, and they did not have the information that they needed to prepare themselves.

John Healey: In a way, this is not unique in the way in which the business rates system operates. We do our best but, with the five-yearly revaluation, for example, businesses have to recalibrate their cash-flow forecasts and their business operations to deal with that.

Mr. Frank Field: My right hon. Friend is promising to take apart the Opposition's argument, and we shall obviously delight in that, but I would like him to address a point that has come up in a number of debates. The Government have moved their position by saying that people will be able to pay this liability over eight years, but Members on both sides of the House have expressed concern that, if the rate demand is sent out in a single bill—albeit one that is to be paid over eight years—it could result in some companies ceasing to be solvent to continue trading. Does my right hon. Friend have the power to instruct that those bills should not be sent out to a business as a single sum, and that instead, the first bill, for example, could be the first of eight equal parts? In that way, the total amount need not appear on the business's balance sheet, and possibly tip it into insolvency.

John Healey: These regulations and provisions are already in place, and 67 companies have agreed a schedule of payments that will allow them to spread their backdated liabilities over up to eight years. The insolvency question, for those companies, will involve a combination of having to book the liability—the outcome will, in part, depend on their existing assets and liabilities—and of the judgment that the directors take on their ability to trade through the period and meet the liabilities when they become due. That is the advantage of being able to identify those liabilities and see when they will fall due, and to spread them so that they are due not as one hit—as would happen without these regulations—but in instalments over eight years. That is an unprecedented period; it gives businesses a generous amount of time to pay.

John Howell (Henley) (Con) *rose—*

John Healey: The hon. Gentleman has been sitting through the debate and he is very keen to intervene. I shall give way to him, then I must make some progress.

John Howell: I thank the Minister for his generosity and characteristic humour in allowing me to intervene on him. Will he explain the differences in the estimates of the total backdated liabilities for, say, 2009-10? In the evidence and options paper, table 1 gives a figure of £112 million, but table 5 gives a figure of £341 million. The difference between the two figures has been brushed away as being due to a difference in assumptions, but we are never told what the assumptions are. Will the Minister now tell us?

John Healey: I am so glad that I gave way to the hon. Gentleman, because I was about to discuss the figures.

I have placed in the Library of the House today a table of the latest figures relating to the impact of the ports review, broken down by port. The figures show the pre-review and post-review rateable values of the ports and of the businesses, and the number of businesses in each port. They also show that the review has had different impacts in different ports, and that it has had a different impact on the port operators and the port occupiers. The overall impact on the cumulative rateable value of ports in England has been to increase the rateable value from £201 million to £211 million.

Within that cumulative impact, however, there have been two main changes. The first is a reduction in the port operators' rateable values. The second is an increase in the number of separately assessed properties. As a result, in England, the port operators' rateable value has been reduced by about £44 million annually, which therefore reduces rates liability. Across England, the rateable value of Associated British Ports alone has reduced from £41 million to £21 million as a result of the ports review. In Hull, the rateable value of the port is now one third of what it was before the review: it was £9 million; it is now £3 million. In Grimsby, that value less than half what it was—down from £1.35 million to £500,000. In Liverpool, it is less than half, too—from £16.5 million to £6.8 million.

Shona McIsaac: What about Immingham?

John Healey: As it happens, the rateable value of the port operator in Immingham has been cut by a third—from £17.9 million to £11 million.

Robert Neill *rose—*

John Healey: If the hon. Gentleman will allow me to continue, the real impact has been on businesses, with 605 newly assessed properties having a rating assessment backdated to 1 April 2005. It is those newly assessed port occupiers, with properties at a rateable value of about £54 million that face the backdated liability of more than £70 million. Although there are some significant issues, problems and pressures faced by businesses in port when they get this unexpected and significant backdated liability, let me explain that the impact is not universal.

Although some businesses may certainly be struggling, local authorities report that £25 million—in other words, a third of this backdated liability—has already been paid in full. One hundred and forty-six businesses—in other words, one in four of those affected by backdated bills—have already settled in full. A further one in seven of the remainder—the 67 properties and businesses I mentioned earlier—have now entered into the schedule of payments that is giving them real help through what is a tough period for them. That schedule has allowed them to spread the payments and manage the cash-flow consequences in a way that would be stopped dead in its tracks— it would be blocked—if the motion proposed by the Conservatives were to be passed.

Let me turn to the central question of waiving the tax liability, because a number of different solutions have been proposed by the ports lobbyists, but they all add up to the same thing. The intended outcome in each case would be to waive what has now been established—legally established—as a tax liability. Let me tackle that proposal directly. Despite the delays and problems in the ports review, I do not accept the principle that once it has been properly established that a business is legally liable to pay tax, it should simply be waived and the company let off. We do not do that in other circumstances; we do not do it with other business taxes. *[Interruption.]* The hon. Member for Peterborough (Mr. Jackson) says that the Chancellor announced a waiving of the tax liability yesterday, but the hon. Gentleman completely misses the point. I have a precise argument, and if he bears with me, he will get it.

Once facts and a tax liability are known, they simply cannot be disregarded. The Government do not do that with any business tax. If the Government accepted the principle of removing a backdated rates liability, it would require primary legislation. In other words, Ministers would have to ask Parliament to give selective advantage to a specific group of businesses. *[Interruption.]* If the hon. Member for Bromley and Chislehurst will allow me—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the right hon. Gentleman, but it would be helpful if the debate could continue without all the sedentary interruptions that have characterised it so far. They were started, I fear, by the right hon. Member for Birkenhead (Mr. Field), who was a little short of his usual impeccable standard. In the short time we have left, it would be helpful if we heard one voice at a time.

John Healey: Thank you, Mr. Deputy Speaker.

If we were to accept this principle and Parliament gave us those powers, what would that mean? It would turn what some argue at the moment is a perceived and arguable disadvantage of a backdated business rate—I have to say that many more businesses are now and have previously been affected by such backdating—into an actual disadvantage to those who have paid their business rates in those years. In other words, we would create a certain state aid and a certain breach of fair competition and fair taxation principles.

I have to tell the Conservative Front-Bench team that I find it extraordinary that the Leader of the Opposition has fallen for that line, tabled the motion and promised to waive the tax liability. It must be asked whose special interests will be next in line for a tax let-off under the Tories. It must also be asked who will be next to bang on the door of the shadow Chancellor, waving a tax bill and demanding special treatment.

Let me ask the House a question. In supporting this motion, what is the shadow Chancellor saying to the other companies—more than twice as many, including some in the ports—that have been paying their business rate bills when their neighbours and competitors would be let off this tax liability? What does he say to the companies—many times the number—that found themselves in the same position in previous years, but have accepted the system and paid what is legally due to the public purse? To do otherwise undermines the basis of the business rate system. As with other tax systems, everyone is assessed according to rules that are applied consistently and without favour, whether the administration of the system is good, bad or indifferent.

Mr. Austin Mitchell: Will my right hon. Friend give way?

John Healey: I will finish making this point, if I may, but then I will give way to my hon. Friend, because he has been uncharacteristically patient up to now.

The problems caused by the ports review in this concentrated group of companies do not alter the principle that 605 newly listed firms are being taxed and treated on the same basis as other firms both in and outside the ports.

Mr. Mitchell: As we are throwing out all these rhetorical questions, will the Government answer a question? Why are businesses on the docks being asked to pay rates twice—once through the cumulo, and once through the retrospective assessment?

John Healey: I have already dealt with that point. I have some sympathy with that perception of unfairness, but the argument must be taken up with the port operators with which the companies have the tenancy agreements and to which they pay the cumulo. I have asked about this consistently over the past nine months, and I have seen very little evidence of any contractual confirmation that the business rates are paid explicitly as part of the cumulo. Therein lies something of a problem for my hon. Friend and some of the companies in his constituency.

Mr. Cawsey: I know that my right hon. Friend is aware of a letter sent by Associated British Ports to companies in its ports, saying that it will have to increase the cumulo because of the increase in business rates. Surely that reveals an obvious connection. Surely it shows that the business rate is included in the cumulo.

John Healey: My hon. Friend is right: I have seen the letter, because he made sure that I would see it. I am sure that the companies in his constituency will look at that information very closely, and will consult some of their professional advisers on where it places them in relation to ABP.

I have a copy of the letter from ABP, which, as a result of the 2005 revaluation, told its occupiers

"it will inevitably mean that... some of the increase will... be passed on to our customers".

As I said to my hon. Friend the Member for Cleethorpes (Shona McIsaac), that is a matter that they must take up, rightfully and directly, with the port operators.

Mr. Stewart Jackson (Peterborough) (Con) *rose—*

John Healey: I am coming to the end of my speech. The hon. Member for Bromley and Chislehurst had a fair crack of the whip.

In the current economic circumstances, given the pressure on businesses across the board, what is clear—and we understand it only too well—is that significant and unexpected backdated rates liabilities of this kind will create difficulties for many, although not all, businesses. That is why we have introduced a scheme to help all businesses, including some port occupiers, to meet such unexpected and significant backdated liabilities, and to pay over a period of eight years. That is an unprecedentedly long period.

This is, in principle, a deferment of the tax liability, not a waiving or a removal of it. It is, in principle, precisely what my right hon. Friend the Chancellor announced in the House yesterday afternoon would apply to the increase in business rates that businesses face from the multiplier or the ending of the transitional relief: a deferring but not a removal of that tax liability. Businesses may benefit from up to around £600 million by the deferment announced by my right hon. Friend. It is consistent in principle and practice with his announcement in the pre-Budget report that Her Majesty's Revenue and Customs would be flexible over the period in which

[John Healey]

other business taxes—corporation tax, VAT and payroll taxes—had to be paid. Over 100,000 firms have now taken advantage of that. Almost £1.8 billion has been deferred to help them to manage their cash flow and business pressures during this difficult period.

To summarise, we should expect businesses to pay the tax that is due, but in the current economic circumstances we must and can support businesses, especially where they have this unexpected or significant backdated liability. That is precisely what we are doing. We are doing it to an unprecedented extent by allowing scheduling over eight years for the firms that are affected. Businesses are already taking advantage of that support. The House would be wrong to take that away this afternoon.

6 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): It struck me while listening to the previous debate that, although the subject was a serious one, it was entirely appropriate to hold it on April fool's day. Listening to this debate, I fear that it will be groundhog day, because we are hearing a repetition of powerful arguments, but the same response from Ministers that we heard in the other place and in previous Adjournment debates on the issue.

I do not intend to speak for too long because I am aware that other hon. Members wish to raise issues relating to how the measure will impact on their constituencies. The hon. Member for Bromley and Chislehurst (Robert Neill) has been through the chronology and provided some examples of how businesses will be affected. I do not intend to repeat that, but I reiterate that the Liberal Democrats welcome the principle of simplifying the business rate system and moving to a standardised system. We think that there needs to be consistency across different businesses. The previous system was very complicated. It needed to be simplified, but the whole process has been nothing but a complete shambles. To people who are not deeply involved in the intricacies of the matter, the arguments will sound complex. My concern is that the Minister is hiding behind that complexity to defend the indefensible.

Mr. Stewart Jackson: I am sorry that the Minister did not feel compelled to allow me to intervene earlier, but does the hon. Lady agree that the principle and precedent of fiscal correction were established over the 10p tax rate, notwithstanding the liability that businesses have? Indeed, the Minister sidestepped the direct question that my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) put to him. A non-fatal amendment could be tabled to the Local Democracy, Economic Development and Construction Bill or a Finance Bill in the future.

Julia Goldsworthy: There will be opportunities to right this wrong, but it seems that the Minister is unwilling to do so. That is deeply depressing, to be frank. As I said, this is a complex issue, but for the people who are affected it is simple: they face a tax bill for previous years for which they did not know they were liable, so they have not been expecting it. The burden was imposed after the terms and conditions with the operator had been agreed and after payment had been made. For many businesses, the impact is so devastating that they may face insolvency.

The Minister acknowledged that, which makes me wonder. The Minister's response is that these are well-established principles, we cannot waive backdated liabilities, and as all businesses are aware that the scheme can operate in that way they should plan for it. If so, why are we debating regulations now to try to mitigate some of the problems? Why were such measures not included in the original legislation? If the Government accept that this is part and parcel of the scheme, surely they should have made provision for it at the time. Businesses are being hit with this problem, which is impacting on jobs and on the local economy, at the very time when support is needed more than anything else.

The Minister has openly admitted that these problems have predominantly been caused by the failure of the Valuation Office Agency to do its job properly. These proposals today essentially seek to mitigate the impact of those failings. They do not, however, fundamentally right the wrong. Businesses were unwitting victims of the Valuation Office Agency's complete incompetence.

It is not only the Opposition parties that are attacking the policy. Suggestions to right the wrong were made by the Treasury Committee, which also clearly identified the causes of the problem. It identified low morale in the VOA, which had an impact on service delivery. It also identified poor communications with the businesses affected. While the operators might have been aware that the changes were in the offing, it was a bolt from the blue for many of the businesses affected.

The Treasury Committee stated:

"Port businesses are facing backdated charges because the Valuation Office Agency failed to identify discrepancies in the ratings at the time of the 2005 revaluation. This mistake was compounded by the VOA's failure to communicate changes promptly and effectively with Port businesses."

If the VOA had done its job when it should have done it, we would not be having this debate, because the retrospective taxes would not have been imposed. Businesses are upset that they are taking the hit for the failure of the Government agency.

The Treasury Committee was also constructive in its recommendations. It asked the Government to take steps to ensure that payments already made to the port operators were taken into account—a point already made by hon. Members. However, the Minister refuses to accept that that is an issue, even though the Treasury Committee felt that it could be rectified. The Committee also suggested that the Government should

"take steps to mitigate further the difficult position faced by port businesses. Consideration should be given to the proposal to maintain the rateable values of premises in statutory docks and harbours at the levels published in the April 2005 rating lists until the new ratings list is published in April 2010."

That is exactly what the Liberal Democrats have said. We have said that we will co-operate if primary legislation is required, but the Minister appears to have ruled that out. What consideration was given to that option? Was it explored or was it ruled out without due consideration?

The information that the Department provided to the Treasury Committee was disappointing. On the issue of the contributions that port occupiers had already paid to the port operations, the Minister said again today that as far as the Government are concerned, the information is only ambiguous. However, those people

who have spoken to businesses directly affected say that their understanding is that part of the terms and conditions included covering the business rates that operators were paying.

I wish that the Minister had provided more information on what the Department had done to seek the information. It is clear that some hon. Members have provided the Department with the information, but I wonder whether there is more out there, if the will existed to try to find it.

The Government continually emphasise their inability to waive this tax liability. For example, in the debate secured by the hon. Member for Great Grimsby (Mr. Mitchell), the Minister said:

"We cannot now act as if we do not have the full facts or as if they do not have a liability that is now clearly established in law. Therefore, it is not straightforward or possible simply to undo what has been done, or to hold off until 2010 when the next ratings list comes into effect."—[*Official Report*, 28 January 2009; Vol. 487, c. 124WH.]

The Minister spoke today about valuation and its retrospective nature. The point is that these businesses were not paying business rates, so they did not need to factor in retrospective elements. They were not clear what their liability would be in the future. If they did not know that they would be liable for business rates in the future, how were they supposed to plan for any retrospective liability? They did not have the full facts. They may have them now, but they did not have them at the time for which the Government seek to tax them.

Mr. Brazier: Crucially, those facts were not available to those businesses when many of them negotiated long-term rental contracts. A firm at Immingham told me that it had negotiated a 30-year contract in 2005, on the basis of the old rating agreement.

Julia Goldsworthy: The hon. Gentleman is exactly right. The problem is not that the facts were not available when those long-term decisions were made; the facts did not exist at the time.

As I was preparing for the debate, I was also dealing with some casework related to the tax credits system. The Minister said repeatedly that there is no ability to waive a tax liability for businesses, but as I was dealing with that casework, I wondered whether some principles could apply to both. When people apply for tax credits, it is made very clear to them that they must tell Revenue and Customs if their circumstances change; otherwise they will be liable for the recovery of overpayments. However, the VOA did not tell businesses that their taxation circumstances would change, let alone that they would be judged retrospectively. So, surely, the Government are responsible for the loss of their own income, because they failed to act in a timely way.

The second principle with which tax credits are applied is that, if overpayments are caused by HMRC error, people are not required to pay. The delay in imposing this liability is entirely due to the VOA's incompetence, so I do not understand why similar principles cannot apply. It is understandable that businesses are completely bewildered. They are expected to deal with a completely appalling process, while Departments proceed as though nothing has happened and everything has gone completely smoothly.

Finally, local authorities have been placed in an invidious position. They have a statutory duty to send out bills and collect revenue, but they have a responsibility to recognise and support their local economies. They play a key role in recognising the importance of ports to the local and national economy. They have a role in promoting the economic well-being of their areas, and many of them feel that these measures will undermine that economic well-being. The statutory instrument aims to make the burden more manageable for those businesses. It is half an apology, but it does not seek to right the wrongs that have resulted from this appalling process.

It is entirely appropriate that we have had another opportunity to debate these measures, particularly on the Floor of the House. Like the hon. Member for Bromley and Chislehurst, I do not want to vote against the regulations, because that would leave ports and businesses in an worse position, but the Government need to introduce proposals to try to right these terrible wrongs.

6.12 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I shall be brief, but I must express my incredible disappointment with Conservative Opposition's position. They are

"Willing to wound, and yet afraid to strike".

They are going around the country encouraging port operators to resist these payments, yet when they need to show the courage of their convictions, they remain silent. Here is a chance to put a spanner in the works; they will not take it.

I must express my disappointment with the Government's position, which is one of impotence as a system of government. They are impotent, they tell us, to stop the retrospective increase, however unjust and disastrous it will be. They are impotent to do what we should do, which is to call off this exercise and do the assessment in 2010. They are also impotent to get back the money paid to ABP. That money is, in fact, the rateable contributions of the port operators. That is impotence turned into a chorus of castrati.

On the substantive point made by my right hon. Friend the Minister, who has been patient in listening to our arguments but inflexible in responding to them, it might well be a pistol to our own heads to vote to annul the regulations, but the Government have left us no alternative. I want to vote to annul them. I ask him what else we can do. It would force the businesses to pay now, which would be absolutely disastrous, but it would also force the Government to think again. If they are faced with businesses going bankrupt and rising unemployment in the ports, because of their inability to remove the retrospective charge, such action would force them to think again, and I hope that it would force them to take more sensible action than we have seen so far.

6.14 pm

Mr. Robert Syms (Poole) (Con): Ports are vitally important, both for the people who work in them and for the community businesses that feed off them. The port of Poole is successful, but that takes very hard work. As we have heard, the problem with the proposal is that it is retrospective legislation that will undermine the viability of some businesses.

[Mr. Robert Syms]

Many businesses felt that they were already making a contribution through the agreements reached with their ports. I visited the port of Poole last Friday, and it is clear that it is being affected by the recession. Fewer passengers are using the ferry, and the number of haulage movements, both from the continent and from our side of the channel, has fallen by between 25 and 30 per cent. Over the next few years, businesses are going to find it very hard to carry this additional burden.

It is a pity that the arguments made by hon. Members of all parties have not been taken on board. I know that the Government are trying to do what they can by spreading the payment over eight years, but I am not sure that that is the solution to a very difficult problem. Ports are very competitive places to do business. Some companies will move, jobs will be lost and the viability of some firms will be threatened. The measure will make nonsense of the tax system, if it kills the golden goose.

I commend my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) for praying against the order, as that has given us an opportunity to discuss these matters. I fear that the problem will recur again and again over the next three or four years, as companies struggle to pay their major liabilities.

As I have said, Poole is a successful port, but that success comes only through hard work. This added burden will have a major impact on businesses both large and small that provide very important services for those who use the port.

Because so many hon. Members want to speak in this debate, I do not intend to say much more than that. I therefore enter my protest against this proposal, on behalf of my constituents and the businesses operating out of Poole. They feel that they are being very hard done by, and I wish that more could be done to assist them in these very difficult times.

6.17 pm

Mrs. Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I have no doubt at all about the extent of the problems being experienced by many businesses in ports as a result of the imposition of large, backdated business rates. Those are bills that businesses could not have anticipated.

The problems are exacerbated by the general economic situation, and my concern is that the proposal will pose a threat to businesses, jobs and regeneration. Certainly, it is easy to see that the port of Liverpool's spectacular success in recent times has been linked very closely to the regeneration of the city itself. I am extremely disturbed by the fact that the order, together with the economic situation, could threaten that regeneration.

I support the findings of the Treasury Committee, which I believe should be recognised. I am very sorry that the Government do not feel able to implement the recommendations now, even though some recognition should be given to their attempts to do something about the situation. The proposals that we are considering this evening are not sufficient to deal with the problem, and the issue of liabilities on company balance sheets is a matter of very grave concern.

While I believe that the House should recognise that the proposals are intended to assist port businesses, I know that they will not resolve the problem. For that reason, I ask my right hon. Friend the Minister and his colleagues to continue to give this very important matter their consideration. If it cannot be resolved today, I hope that it can be resolved in the future.

6.19 pm

Mr. Julian Brazier (Canterbury) (Con): The Minister's speech was extraordinary. He spent the first half selling us, "This is how other businesses up and down the country are handled, and businesses in ports should expect to be handled like every other business." However, towards the end of his speech he admitted that the arrangement had involved a large transfer from port rating companies, many of whom, he concedes, knew absolutely nothing about the matter, to the port owners, many of whom are in direct competition with their tenants. The Government have their own guidelines on retrospection, and the Minister must know that he has broken them. They were set out in *Hansard* on 9 October 2008 at column 802W.

I ask the House to envisage a warehouse in a port. Such a warehouse could be in one of at least four different situations, none of which have anything to do with its operations. First, it may be owned by the port owner, in which case it is exempt from the new arrangements. The second possibility—I have seen two warehouses side by side run on different bases—is that it could be owned by an unfortunate tenant who has just been slapped with an enormous, four-year, backdated bill. Thirdly, it could be owned by a tenant in one of the ports—there are a number of them—that the Valuation Office Agency has managed to miss in its exercise. The fourth and final possibility is that the warehouse could be in a port where the owner got in clever lawyers early on, arranged a shared arrangement between more than one tenant, and so was able to avoid the problem. To suggest that the status quo has tidied matters up and brought the arrangements in ports in line with those in the rest of the country is just fantasy.

The truth is that the arrangements are a muddle. They have been condemned by the Treasury Committee and in a non-fatal motion in another place. In the real world, the arrangements are progressively destroying large numbers of small businesses: Thomas Nichols Brown has gone bust in Liverpool; DFDS, a huge Danish shipping company, made 71 people redundant in January; Stanton Grove on the Mersey has a huge bill of more than £2 million; and Brittany Ferries in Plymouth, Poole—the constituency of my hon. Friend the Member for Poole (Mr. Syms)—and Portsmouth faces a bill of £500,000. A whole string of organisations, some of which could afford to pay the bills, have simply said that they will pull out of the UK. To add insult to injury, in contradiction to the original announcement, the Minister's office has confirmed that if a tenant goes bust and that tenant's property reverts to the port owner, the port owner will not be faced with an empty property rates bill; the property will revert back to the original arrangement. How fair is that?

There are other people who want to speak, so I shall end with one last example. David Johnson of RMS Group Holdings Ltd—a man who deserves to be praised for the vigorous way in which he has spoken up time and again for his company and for other people like him—says that his company faces a 1,700 per cent. rate increase as well as four years' backdating. That is no way to run a tax system, and no way to run a country.

6.23 pm

Mr. Ian Cawsey (Brigg and Goole) (Lab): I, too, will be brief, given the hour and the amount of time left in the debate. I want to concentrate on one aspect of the issue. I was profoundly depressed not only by today's debate, but by the amount of time that we have spent going round the same track again and again. The matter was first raised with me last year by Peter Aarinson, who runs Danbrit Shipping in Goole, in my constituency. I rang my right hon. Friend the Minister for Local Government in his constituency the very same day, which is when this all began.

We are all told things by constituents from time to time, and we know that not everything is as it appears when we are first told it. When I was first told about the situation, my reaction was that either there was more to the matter than I was being told, or the situation was so obviously wrong that something would be done to correct it. It did not enter my naive little head last year that months later, it would all be confirmed, and not enough would be done to resolve the situation.

I want to make a point about double taxation, because however we wrap it up, that is at the nub of the argument. The people concerned have been paying business rates to their port operators, and the letter that I intervened about earlier in the debate showed that clearly. One cannot go back to a company later and say, "You've got to pay again, because we've given the money back to the people from whom we took it in the first place."

One or two of us had a meeting this morning with some Treasury officials to discuss the order, which I said is like lobbing a grenade into a whole area of business, running away and waiting to see what happens. Businesses cannot be left in that position. I have met ABP, which is the port operator for my area. It has no intention of giving back any of the money. It says that although it is true that in Goole, my constituency, they have received a lot of money back, the liability of ABP across the country has gone up, so it does not see that it has gained. That may be true in certain ports, such as the one in my constituency, but the money is not going to flow back.

If the Minister and officials think the way to resolve the matter is to say, "It's a private matter which companies will have to sort out themselves", that is not good enough. They should be doing something to bring the parties together and thrash it out. To me, it would be much simpler for the Government to say that the liability will start in 2010, in which case everybody would know where they are. Businesses could take that into account in their business plans and then move on to have successful and progressive businesses for the future.

In his remarks to the House my right hon. Friend the Minister made great play of the fact that he is offering assistance, which we appreciate. He went on to say that that is unprecedented, which we appreciate as well. He then said that there is no other way to deal with taxation. Well, if we are going to do something unprecedented, we might as well do the correct bit of unprecedented work. That means taking away the liability for now, accepting that those businesses have paid and setting their liability for future business years.

I shall finish on this point, as others wish to speak. Just before I came in for the debate, I was in a meeting with other Ministers about another issue. We were discussing copyright term extension, which is an issue for another day—the subject is complex and the legalities are difficult. At the end of that meeting, a Minister said to me, "You know, Ian, it's not just about legality. It's about morality." That could be applied to the present debate. Those businesses have been let down terribly by the system. It is a great source of despair to me that it is my Government who have done that, but they have, and now they are obliged to put it right.

6.27 pm

John Howell (Henley) (Con): I shall make three brief points. First, I find it almost unbelievable that the attitude of the Government to the entire issue is that something in which they have had no part has been done to them and that they have no control over the Valuation Office Agency. That cuts no ice with companies in ports. As a spokesman for one of them, Peel Ports, told the *Liverpool Daily Post*:

"This is a government ratings revaluation which affects all the ports".

My second point is on the impact assessment. I heard what the Minister said about why there was no impact assessment, but under pressure from the Opposition, he has, as the information that he gave us in the course of the debate revealed, brought out some of the points that we would expect to see in an impact assessment. The trouble is that bringing them out in this way does not provide the context to enable us to judge them, so I am still left with questions. How many companies does he estimate will go insolvent as a result of the measure? Does he have an estimate of how many are likely to move out of the UK, which is a real possibility? As the Humber Dock Rating Group spokesman said, making a terrible pun:

"There is a question now among the shipping industry whether they should re-sink their investments in ports in the UK, or whether they should look to move as much of their business as they can off-shore".

Thirdly, the impact on unemployment is relevant. Returning to the intervention that the Minister was kind enough to let me make, I still find it difficult to believe that there is a threefold difference in the estimate of the liabilities between one part of the evidence base and the other. I understand what the Minister has said about what subsequently happened, but at the time the evidence was put together, there was still that wide gap. It was put down to assumptions. Those should have been, and probably were, known, and we should have been told. That all smacks of the Health Committee's criticism that the Government simply rush into these things without proper ideas of success criteria, without any design of policy and without any assessment of the impact.

6.30 pm

Shona McIsaac (Cleethorpes) (Lab): It is with sadness and regret that I rise to speak in this debate. Like my hon. Friend the Member for Brigg and Goole (Mr. Cawsey), for many months I have been devoting an enormous amount of time to trying to find a solution to this issue. We have had a great many meetings with the Minister for Local Government and other Ministers. This morning, we had an eleventh-hour meeting with the Exchequer Secretary to the Treasury. We put our views to her

[Shona McIsaac]

frankly and bluntly, and she said that she would consult colleagues about the ongoing issue to see whether something further could be done after the passing of this motion tonight.

Nobody is denying that allowing the rates to be spread over an eight-year period will help some people. However, that is not the entire solution. I hope that my right hon. Friend the Minister for Local Government will also agree to meet colleagues to see whether anything further can be done. In virtually every meeting that we have had with Ministers, and with the Prime Minister, everybody seems to say that it is another Department's responsibility. When we meet Treasury Ministers, they say, "Sorry—it is the responsibility of the Department for Communities and Local Government,"; when we go to Ministers from that Department, they tell us that we have to go back to the Treasury. I would like all Ministers with responsibility for the issue to get into one room and meet all Members whose constituents are affected.

The crux of the matter is the double payment and the double taxation. Yes, we have heard all about how we got here and about the Valuation Office Agency and, yes, we have this motion tonight. However, nobody has yet come up with a good way forward in respect of the double taxation. The Minister has kept saying that companies in the ports had been paying and that it would not be fair on the companies that had been paying if others were treated differently, but the fact is that the others were paying—they were paying through the money that they were giving the operators. Associated British Ports is the operator at the port of Immingham in my constituency. The companies there firmly believe that they have paid their business rates directly to ABP throughout the entire period. We have seen the letters demonstrating that the money that they paid ABP included business rates.

The contract may not have been beautifully legally put together, but let us face it, we are dealing with dockers, not the be-wigged and be-gowned folk down in Lincoln's Inn. Yes, the agreements can be somewhat rough around the edges, but the companies had the verbal agreements and the letters show that when they were paying that money to ABP, business rates were included. The companies have already paid, and that is why they feel that it is so unfair that they are being asked to pay again.

Why are we fighting in the Chamber tonight? It is because the outcome of this matter will be job losses. I am already seeing them in the port of Immingham and in other companies as well. As has been mentioned tonight, DFDS Tor Line has issued redundancy notices. More will come. I have discussed the issue with many companies; they say that the only way in which they can reduce overheads is to lay people off and put people out of work.

The type of areas that we represent—around Goole, Immingham and Grimsby, for example—are isolated, discrete communities. Any job losses have a disproportionate impact on them, because people do not have a hinterland that enables them to travel to find any other work. This will have a devastating effect on our communities, and for that reason I hope that my right hon. Friend on the Front Bench will see whether something else can be done. It has been suggested tonight—I am in agreement with this—that we should start again in 2010. Yes, that will require primary legislation, but what the hell are we here for if not to legislate?

The Opposition parties have said that they will give any legislation on this subject that is brought forward a fair wind, so I hope that for the sake of jobs in our communities my right hon. Friend the Minister will reconsider this issue.

6.35 pm

Robert Neill: I shall be brief, to give the Minister a little time. This has been a lively and well-informed debate, albeit a short one, and I congratulate all hon. Members who have taken part.

I earnestly hope that the Minister will listen to the hon. Member for Cleethorpes (Shona McIsaac). The whole purpose of this debate is to give the Government time to think again. The hon. Member for Great Grimsby (Mr. Mitchell) has not tempted us to press the button for the nuclear option—I understand, rhetorically, why he suggested it, but if I were a business caught up in the middle of the nuclear explosion I would not necessarily want that to be the outcome.

There is an opportunity, which I shall restate for the final time for the Minister. We will do everything that we can to assist any primary legislation that can put right this wrong. If Parliament is not here to legislate, what is it here for? If Parliament is not here to right an injustice, what is it here for?

The Prime Minister, we are informed, knows about this. It will seem remarkably selective if, rather than saving the ports in this country, the Prime Minister decides that he is too busy saving some other global expedition. I do not mean that churlishly. I hope that the Prime Minister really does know about this matter. If he takes on board the points that have been made, he will go to the people who are the real blockage in the Treasury and will ensure that leeway is given so that the Minister can come back with a sensible solution. If that is done, we will do everything to assist. If it is not done, the buck has to stop at the very top.

6.37 pm

John Healey: With the leave of the House, I want to respond in brief to some points. I fear that by being blunt I might also disappoint.

May I say to my hon. Friend the Member for Cleethorpes (Shona McIsaac) that it is not the case that Ministers have somehow passed responsibility from post to post. At each stage, I have accepted responsibility for the position that we are in. I have accepted responsibility for the measures that we have proposed to take. I have not ducked the arguments—whether that was in meetings with businesses in Hull, when I gave evidence to the Select Committee on the Treasury, in meetings with my hon. Friend or in debates in this House. I have had more discussions on this matter than on any other subject in recent months.

Let me tell my hon. Friend the Member for Brigg and Goole (Mr. Cawsey) that we have acted, and have done so in an unprecedented way. We are prepared to defer the backdated liabilities for an unprecedented period of eight years to allow payments to be spread. If my hon. Friend feels that we are going around the same course

and we are hearing the same arguments, that is the case. We are doing that because, to put it bluntly, we have heard the arguments and listened carefully to them, but we have not accepted them. We have not accepted that the port businesses are in a unique position—he is obviously as concerned about their position as we are—or that they are a unique case. We have accepted that they have problems and that they are under pressure, particularly when the economic downturn is putting pressure on all businesses. That is why we have been prepared to give this help in order to help them manage their way through.

The impact of the ports review, as I have said, has not been universal. Despite the individual cases that Members cited, a third of the backdated liabilities in tax have already been paid in full. One in four of the businesses affected in the same way have settled their bills. A significant number of the remainder are taking advantage of the payment scheme that we have put in place, which the Conservative motion would remove at a stroke. That scheme gives a flexibility to pay. It defers the liability and does not remove it. It is entirely consistent with what we have been prepared to do on other business taxes because, as we have said, we are prepared to take action where we can to help businesses manage their way through this difficult recession. That includes the businesses in the ports hit by these significant and unexpected backdated business rate tax bills.

Question put.

The House proceeded to a Division.

Mr. Speaker: I ask the Serjeant at Arms to investigate the delay in the No lobby.

The House having divided: Ayes 3, Noes 289.

Division No. 95] **[6.40 pm**

AYES

Field, rh Mr. Frank
McIsaac, Shona
Spink, Bob

Tellers for the Ayes:
Mr. Austin Mitchell and
Mr. Ian Cawsey

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Brooke, Annette
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobson, rh Frank
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farron, Tim
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Healey, rh John
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Hewitt, rh Ms Patricia
Heyes, David
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Huhne, Chris
Humble, Mrs. Joan
Iddon, Dr. Brian
Ilsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kemp, Mr. Fraser
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike

Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Swinson, Jo
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Sammy
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Helen Goodman and Mark Tami

Question accordingly negatived.

Mrs. Maria Miller (Basingstoke) (Con): On a point of order, Mr. Speaker. I am raising a point of order about the response that the Prime Minister gave today about the Christie hospital and its funds that are frozen as a result of the Icelandic banking crisis. The Prime Minister stated that the bank involved was not regulated by the Financial Services Authority, and in making that statement he may have been unintentionally in error. Both the Christie hospital and Naomi House, which is a hospice that provides services to children in my constituency, have funds with Kaupthing, Singer and Friedlander, which is a UK-incorporated subsidiary and therefore authorised and regulated by the FSA in the same way as any other British bank. Both the Christie hospital and Naomi House have many millions of pounds frozen with that bank and they are rightly concerned that the Prime Minister does not have a better grasp of the situation. I hope that you can bring the matter to the attention of the Prime Minister, Mr. Speaker, perhaps through a statement.

Mr. Speaker: I cannot bring that to the attention of the Prime Minister, but the hon. Lady has been able to do so by putting the matter on the record.

Mr. Christopher Chope (Christchurch) (Con): On a point of order, Mr. Speaker. You will have noticed that the last Division, which was totally under the control of the Government, took 20 minutes. Do you think that that had anything to do with the fact that I wish to speak on motion 7 on the Order Paper?

Mr. Speaker: I do not think that the Government had the hon. Gentleman in mind.

Business without Debate

BUSINESS OF THE HOUSE

Motion made,

That, at the sitting on Tuesday 21 April, notwithstanding Standing Order No. 20 (Time for taking private business) the Private Business set down by the Chairman of Ways and Means shall be entered upon (whether before, at or after 7.00 pm), and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business.—*(Mr. Ian Austin.)*

Hon. Members: Object.

PETITIONS

Rail Services (Lockerbie)

7.2 pm

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): On 11 November 2008, I had the opportunity to hold an Adjournment debate, in which I said that although Lockerbie station is situated in Scotland, the train services at that station are regulated by the Department for Transport, because they are all cross-border services. The basic message from the Department in response to that debate was that there was insufficient demand for additional services at that station and that the Department was not willing to look at the timetable, which in December 2008 saw a reduction in services between Lockerbie and Glasgow and Edinburgh of some 40 per cent. Since that time, some 2,300 people have signed a petition, which I was able to hand to the Secretary of State for Transport today. This evening I am presenting a similar petition to the House.

The petition states:

The Petition of users of Lockerbie Station and others,

Declares the anger of users of Lockerbie Station at the 40 per cent. cut in the number of rail services between Lockerbie and Glasgow or Edinburgh in the new time-table operational from December 2008; regrets the failure to provide the much promised early morning direct service to Edinburgh in that timetable; and notes the increased need to use connecting trains when travelling to or from the South.

The Petitioners therefore request that the House of Commons call upon the Secretary of State for Transport to, firstly, reconsider the recent cuts to the number of services serving Lockerbie and,

secondly, to instigate the introduction of a 'balanced' timetable designed to meet the needs of Lockerbie station users, and specifically to allow commuters to travel from Lockerbie to and from Glasgow and Edinburgh at times suitable for the start and end of the normal working day and to allow return from Edinburgh and Glasgow late in the evening so that people in the South of Scotland can take advantage of evening entertainment in these cities.

And the Petitioners remain, etc.

[P000343]

Armed Forces (Recruitment)

7.5 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to present a petition on behalf of Quaker Peace and Social Witness. It is in the names of Michael Bartlet and Debbie Taylor and 1,500 other signatories. It seeks to raise the age at which young people may enter the armed forces.

The petition states:

The Petition of people of this country,

Declares that the Petitioners welcome proposals to raise the school leaving age to eighteen; and further declares their regret that young people joining the armed forces at the age of sixteen currently commit themselves to a period of four years service beyond their eighteenth birthday.

The Petitioners therefore request that the House of Commons urges the Government to bring forward legislation to delay enlistment of recruits into the armed forces until after their eighteenth birthday.

And the Petitioners remain, etc.

[P000344]

Health and Safety Executive (London Headquarters)

7.6 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I am privileged to be the Member of Parliament for the headquarters of the Health and Safety Executive in Rose Court on Southwark Bridge road. I present a petition signed by James Davies, who lives in Greater London, and supported by more than 1,900 people. It has been organised by the Public and Commercial Services Union's protect public services unit, and it has been signed by people from Scotland, Wales, Northern Ireland and all parts of England who work in many branches of the public services, many Departments of State, many Ministries and many agencies. They include people working as public servants in this building.

The petition states:

The Petition of the Public and Commercial Services Union,

Declares that the Petitioners are seriously concerned about the closure of the Health and Safety Executive's London Headquarters; further declares that the business case for the single Headquarters assumed that 40 per cent. would move to Liverpool; notes that so far only 12 staff (4 per cent.) have expressed an interest in moving; and further notes that this means that 310 people will lose their jobs, with HSE losing the competence, knowledge and know-how of a significant portion of their workforce.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Work and Pensions to reconsider the closure of the Health and Safety Executive's London Headquarters.

And the Petitioners remain, etc.

[P000346]

Public Libraries (Wirral)

7.7 pm

Ben Chapman (Wirral, South) (Lab): I have the greatest concern about Wirral council's regrettable decision to close 11 libraries and potentially to close 22 halls, civic centres and other valued community assets. One library that could close as early as this Saturday, 4 April, is that in Higher Bebington. This petition has been signed by some 500 residents of Higher Bebington and others.

The petition states:

The Petition of residents of Higher Bebington, and others,

Declares that the decision by Wirral's Council to close Higher Bebington Library does not take into account the high regard in which it is valued by local residents and users; further declares that there was strong representation for the retention of Higher Bebington Library during Wirral's consultation period over its Strategic Asset Review; notes that Higher Bebington would benefit from the continued existence of a library facility in the sense that it serves just that community; and further notes that the concept of community transfer (which, according to Wirral Council, could be "vigorously pursued" after the closure of Higher Bebington Library) has not been sufficiently thought through.

The Petitioners therefore request that the House of Commons urges the Government to encourage Wirral Council to reconsider its decision to close Higher Bebington Library.

And the Petitioners remain, etc.

[P000345]

Nick Cousins

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Ian Austin.)*

7.9 pm

Mr. Paul Goodman (Wycombe) (Con): I am grateful to have secured this debate today. I want to tell part of the story of my constituent, Nick Cousins, because that will allow me to ask how a teacher who has never been found guilty by a court is now unlikely to be able to return to his vocation because, in effect, of the intervention of the Government and their agencies. The story raises serious questions about the balance—in our schools, in the education system as a whole, in government and in our popular culture—between the protection of pupils and justice for teachers, and about the consequences for those schools, that system and our education and popular culture if that balance goes awry. It also raises profound questions of justice and equity.

Let me now begin. In 1998, Mr. Cousins was a senior housemaster at Dulwich college in London. A pupil made an allegation of inappropriate behaviour against him. There followed an internal inquiry in which Mr. Cousins was cleared. In 2001, he became deputy headmaster of the Royal Grammar school—or RGS, as it is sometimes known—in my Wycombe constituency. In 2004, another Dulwich college pupil made allegations that Mr. Cousins had indecently assaulted him during the late 1990s. Later, a third boy, a contemporary of the other two pupils, made similar allegations. In July 2004, Mr. Cousins was arrested. In April 2005, he was charged with indecent assault; in March 2006 he went on trial.

Obviously, that series of events created difficulties for the school, which understandably suspended Mr. Cousins from his duties. I should say at this point that nothing I say this evening is meant to be in any way a criticism of the school, which acted in crucial respects, as we shall see, on the advice of the authorities.

At the trial, Mr. Cousins was acquitted on three counts and the jury did not reach a decision on the other two. The Crown Prosecution Service decided not to order a retrial, but instead left the other two counts on file. My hon. and learned Friend the Member for Beaconsfield (Mr. Grieve), who is aware of Mr. Cousins' case, has pointed out that this is a standard method of disposal of counts on which juries are unable to agree verdicts, and is entirely neutral in its implications.

Following the trial, the RGS decided to set up its own internal inquiry in relation to the suitability of Mr. Cousins to work with children. I should say at this point that nothing I say this evening takes a view on his suitability to work in that regard. Rather, as I say, my central purpose is to ask whether he has been treated fairly by the Government and their agencies.

In my view, the RGS was justified in setting up its inquiry. There are evidently circumstances in which there are grounds for proceeding against people, even if they are cleared in court, especially perhaps where child protection is concerned. The school asked Buckinghamshire county council for advice, which is understandable, and the council recommended that the school use an independent investigator—again understandable. The council also recommended who that investigator should be. His report turned out to be controversial. The investigator allegedly met Mr. Cousins and the RGS headmaster only briefly and based his report mainly on the police's evidence in relation to the Dulwich college charges, which the House will remember were not upheld by a court. My hon. and learned Friend the Member for Beaconsfield, who saw the report, raised concerns at the time about its impartiality.

Following the inquiry and report, the RGS decided to reinstate Mr. Cousins on the balance of probabilities. It is perhaps not surprising that both prior to the inquiry and following it, the RGS, backed by the council, approached Mr. Cousins's union representative to discuss a compromise agreement, whereby Mr. Cousins would resign in return for a compensation payment. Mr. Cousins rejected both offers since he wished to return to work at the school.

In mid-August 2006, Mr. Cousins was told by the school that he would have to complete a new enhanced Criminal Records Bureau check—apparently, on the advice of Buckinghamshire county council. By the beginning of September, the CRB check had not arrived. Mr. Cousins was then told at a meeting with the headmaster, which was also attended by a representative from Buckinghamshire county council, that he would therefore be unable to return to work at the beginning of the approaching autumn term. Consequently, when the new term began later that month, Mr. Cousins worked from home.

At the end of September, he was allowed to return to work at the school, subject to the restriction that he should not seek contact with the boys without the headmaster's permission. He then had to wait a further five months—until February 2007—to receive the results of the enhanced CRB disclosure. According to Mr. Cousins, this disclosure contained no new information, but it did apparently contain no fewer than 14 factual errors in the so-called soft box, which is where chief police officers can add additional relevant information at their discretion. The soft box also included allegations that had not been upheld in court and that had obviously been inserted there by the Metropolitan police. The House will remember that Dulwich college, the site of the original accusations against Mr. Cousins, falls within the Metropolitan police area. On that basis, Buckinghamshire county council was unable to issue a certificate clearing Mr. Cousins to return to work, in an unrestricted way, at the RGS.

Needless to say, Mr. Cousins challenged the terms of the disclosure. At the beginning of June he met Metropolitan police officers, and, following further correspondence, a new disclosure was agreed. Later in June, it arrived. Mr. Cousins claimed that it was still inaccurate in two significant respects, and that the agreed form of words had not been used. Consequently, the Criminal Records Bureau referred the matter to the information commissioners. I do not know whether the commissioners have published a view.

I now return to events at the RGS, where, as the House will remember, Mr. Cousins had returned to work pending receipt of a certificate from the county council, subject to the restriction that he should not seek contact with the boys without the headmaster's permission. At this point, we have a new entrant to the story. On 14 May 2007, the then Department for Education and Skills wrote to Mr. Cousins stating that it had come to the Department's notice—more than a year after the trial—that he had been charged and tried with respect

to certain allegations. The letter announced that the DFES was to launch its own investigation of Mr. Cousins under section 142 of the Education Act 2002.

Nearly two years later, neither Mr. Cousins nor I, his Member of Parliament, have been able to obtain any explanation from what is now the Department for Children, Schools and Families of why it became involved. I understand that neither Buckinghamshire county council nor the Met referred the case to the DFES, as it then was. Mr. Cousins's solicitor has claimed that the DCSF received a newspaper cutting about the case. I shall return to that later.

On 18 May, four days after Mr. Cousins received the letter from the then DFES, he was handed a letter by the headmaster of the RGS claiming that he had broken the restrictions imposed on him following his return to school. On 12 June, Mr. Cousins was asked to leave the school. The RGS then appointed another investigator to write a report regarding Mr. Cousins's alleged infringements of the restrictions imposed on him on his return to the school. According to Mr. Cousins, the investigator was being advised by Buckinghamshire county council.

At the end of August 2007, Mr. Cousins was dismissed at a disciplinary hearing. I believe that the dismissal was upheld at an appeal at the beginning of November 2007, with the result that Mr. Cousins took his case to the employment tribunal. This part of the story finally ends in October 2008, when he reached a settlement with the RGS and the council. In a statement agreed by all three parties, the governors of the RGS acknowledged that Mr. Cousins had been unfairly dismissed, and the council apologised for not providing him with the level of support that he had expected in relation to his dismissal. The council also agreed to review the way in which the whole matter had been handled, and to learn lessons for the future. Mr. Cousins, for his part, acknowledged that the school had acted on advice and therefore in good faith.

The story of Mr. Cousins does not end with that agreement, however. The House will remember that in May 2007, more than a year after the trial, the then DFES wrote to him to say that it would launch its own investigation of his suitability to teach. However, it was not until January 2008 that he was interviewed by a psychologist from the Lucy Faithfull Foundation, which provides consultancy services for the DCSF. During the interview, it apparently emerged that she did not have any of the defence papers relating to the case, as they had been mislaid by the foundation. In the summer of 2008—more than a year after the Department had first written to him— Mr. Cousins finally received a copy of the Lucy Faithfull Foundation report. According to him, the psychologist stated in the report:

"I would not consider Mr Cousins to represent a risk of harm to children and young persons in education or other settings".

By the beginning of this year, however, the DCSF had still not issued any recommendation with regard to Mr. Cousins, despite having initiated the investigation more than 18 months earlier. When Mr. Cousins finally managed to speak to an official in the Department at the end of January 2009, he was informed that his case had been transferred to another worker, and that the Department was still working through its internal reviews before a recommendation was made to the Secretary of State. I wrote to the DCSF at the beginning of February to ask why the inquiry was taking so long.

At the beginning of March, I received a letter from the Department saying that

"It is not possible to say precisely how long it may take to conclude any given case, because the circumstances of each case vary. The length of time it takes to reach a decision very often depends on how long it takes for other agencies or bodies to provide relevant information and evidence. However, we aim to conclude a case as soon as possible after receiving all the relevant information."

On 10 March, nearly three years after Mr. Cousins was acquitted, the head of the children's safeguarding unit at DCSF wrote to Mr. Cousins to inform him that the Secretary of State had decided not to bar or to restrict his employment. The letter, however, had a twist in the tail:

"Although it has been decided, on this occasion, not to make a direction under section 142 of the education Act 2002 on the grounds of your misconduct, you are warned that your behaviour has caused great concern".

The letter goes on to refer to

"any further misconduct on your part".

The House will remember that the governors of the RGS agreed that Mr. Cousins had been unfairly dismissed in 2007 and that he has never been found guilty in court, so to what "misconduct" is the Department referring?

Furthermore, Mr. Cousins alleges that it is clear from the letter that the DCSF has not sent him copies of all the documentation that it has considered, despite having promised to do so. That means that he has not had a chance to comment on all the allegations made against him. Not surprisingly, my constituent has now written to the Department about both those points.

To sum up this section of my speech, we have a teacher who has never been found guilty in court, who has been unfairly dismissed, who has apparently been the subject of inaccurate police claims, some of which have been dismissed in court, who has been investigated by the DCSF on a basis that that Department is unwilling to disclose either to him or to his Member of Parliament, and who the Department now judges to be guilty of misconduct on a basis that it has yet to disclose and may be unwilling to disclose, despite the fact that Mr. Cousins has never been found guilty in court but has been found to be unfairly dismissed. All this while, Mr. Cousins has endured delay, dismissal, disruption to his standard of living and quality of life, strain on his family life, public scandal and above all separation from the vocation to which he dedicated much of his working life. He would be entitled to feel that he has effectively been put on trial twice: once by a judge and jury, who did not find him guilty, and once by the Government and the authorities, who in effect did, but Government and the authorities are not, as the old saying has it, 12 men good and true. If the DCSF has evidence against my constituent, surely that must be produced. If it does not, the House and the world can only conclude that the handling of the case reeks of injustice.

I now want to ask the Minister some questions. I would be grateful if she indicated either now or during her response to the debate that she will write to me in response to any questions that she does not this evening have time to answer. I would be grateful if, rather than simply reading the brief, she would at least answer this evening the questions that pertain directly to Mr. Cousins.

[Mr. Paul Goodman]

What is the nature of the "misconduct" referred to in the DCSF's letter of 10 March, bearing in mind that Mr. Cousins has never been found guilty in court but has been found to have been unfairly dismissed? Was he shown all the documentation relating to his case? If not, why not, and will he now be shown it? More broadly, in what circumstances where a teacher is acquitted will the DCSF launch its own subsequent investigation? What are the procedures for referring such cases for investigation, and who is entitled to make these referrals? Assuming that the Department does decide to launch its own investigation, how does it appoint the investigator and how does it ensure that the investigator is both qualified and impartial? What checks has the Department introduced to ensure that any investigator has papers relating to both sides of the case? In this instance, although Mr Cousins did not dispute the findings of the Lucy Faithfull Foundation, were a teacher to do so, what procedures would enable that teacher to appeal against the findings of a report? Given the delay, what guidelines has the Department issued on the speed with which it will conclude any investigation that it launches? Its latest letter to me said that

"The length of time it takes to reach a decision...depends on how long it takes for other agencies... to provide relevant information and evidence."

I now turn to the role of the Metropolitan Police. I would be grateful if the Minister could pass on the following questions to her counterparts in other Departments if she is not in a position to answer them herself. First, as a chief police officer can add "other relevant information" in the so-called soft box of a CRB form, how is relevant information defined, and what guidelines cover its use?

According to a letter I received from the Met in October 2007, the principles that can be extracted from the case law relating to CRB disclosures are as follows:

"The Chief Officer is not required to carry out further police investigations and/or enquiries into the accuracy or nature of the information."

Do the Government believe that it is right that chief police officers are not required to make inquiries or carry out investigations into the accuracy or nature of such information? In how many and what percentage of cases is it conceded that a CRB disclosure is inaccurate, as the CRB conceded in the case of Mr. Cousins in relation to its first disclosure? What is the Met's policy on the speed with which CRB checks should be completed? Are there recommended response times? If so, were they adhered to in this instance, and if not why not?

I am pleased to have had the opportunity to tell the House part of the story of the life of my constituent, Nick Cousins. I am saddened to have had to ask how he has been put on trial twice—once by a judge and jury, who did not find him guilty, and once by Government and authorities, who in effect did, without any new evidence of which I am aware.

I know that in these times it is not done to quote poetry in the Chamber—dear me, that would be rather old-fashioned. None the less, I am mindful as I speak this evening of the words of Auden:

"Acts of injustice done,
Between the setting and the rising sun,
In history lie like bones, each one."

Finally, I close by reflecting on what this story suggests not just for one teacher, but for all teachers, all schools, our education system as a whole, and our educational and popular culture. Not long ago, there was an imbalance between the protection of children and the autonomy of teachers. The former was compromised at the expense of the latter. That imbalance had to be addressed. By and large, I think that it has been. The protection of children should be non-negotiable.

Ministers, the DCSF, local authorities, Parliament, the courts, schools, teachers and governors have no easy task in deciding where the balance lies. As I said earlier, there are circumstances in which there are grounds for proceeding against people even if they have been cleared in court, especially, perhaps, when child protection is concerned. None the less, there are, as I say, serious questions about whether this balance is now right.

Like other Members, I visit schools in my constituency. I am acutely aware that the life of teachers is modern Britain is not always easy. Once, teachers were repositories of knowledge. Like policemen, clergymen, councillors and even, dare I say it, Members of Parliament, they had authority, and a certain status. Now, they are often surrogate parents in what can be, for children, a world made even more bewildering and confusing than it already is by the way in which we live now—sometimes there is a lot of choice, but not always a lot of love.

Teachers no longer have the authority that they automatically possessed a generation ago. Nor does our culture always give them the respect and indeed the reverence to which they are entitled as the passers-on of the light of learning to the next generation. Their options, faced with children who are sometimes difficult at best and violent at worst, are limited. I note that the Chairman of the Children, Schools and Families Committee has said that it plans to hold an inquiry into the handling of allegations against teachers.

In these circumstances, it is surely vital to ensure that teachers, no less than children, are treated fairly by Government and by the authorities. It is for this wider reason, as well as for the sake of justice and equity, that I bring before the House this evening the case of my constituent, Nick Cousins.

7.29 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Sarah McCarthy-Fry): I congratulate the hon. Member for Wycombe (Mr. Goodman) on securing this debate. Our first duty in government and as a society is to do all we can to keep children safe, and I know that duty is shared by hon. Members on both sides of the House. That is why we have been strengthening the system for preventing unsuitable people from gaining access to children through their work, and it is why we have established the new vetting and barring system and the Independent Safeguarding Authority.

I am sure that the hon. Gentleman will appreciate that it is not appropriate for me to comment on individual cases in the House, particularly given the obvious sensitivities for all concerned, but I would be more than happy to commit the Department to write to him in confidence to address some of the procedural issues raised by this case if that would be of help and if his constituent gave permission. The remarks that I make tonight will be about the processes in general as regards the DCSF and not about the process in this case.

Mr. Goodman: Can the Minister confirm whether that letter would include what I described as the whole misconduct question if my constituent gave permission for the letter to be written?

Sarah McCarthy-Fry: We will look at the letter that is given. On the decisions made by our Department, we will always disclose any information that we rely on when making such decisions. On the procedural issues, we will look at the letter when it comes. This is a very sensitive issue.

As limited time is left for me to respond, let me say that CRB disclosures come under a different Department, so I will pass that issue to my colleagues. If I do not manage to get through all the procedures that the hon. Gentleman referred to, I undertake to write to him about the rest.

It is absolutely critical for both the Independent Safeguarding Authority and my own Department to be as scrupulous and rigorous as possible in consideration of all such cases. They frequently deal with very complex issues, and we owe it to all concerned, including those who are under consideration, to review the information that we receive with all due diligence.

The changes that we are introducing under the Safeguarding Vulnerable Groups Act 2006 will help to make sure that we have the toughest possible vetting and barring system for all those working with, or seeking to work with, children and vulnerable adults. We have already tightened the current system, so that anyone cautioned, as well as those who are convicted, for specified sexual offences against children will automatically be entered on list 99 and barred from working in schools and other education settings. We have made CRB checks mandatory for all new appointments to the schools work force, including staff entering the work force from overseas.

The primary purpose of the process for considering cases is to safeguard children from contact with people who are considered unsuitable, either because they present a risk to a child's safety or welfare, or because their behaviour presents an unacceptable example to children. Cases are typically triggered by reports from the police, schools or local authorities, wherever there are grounds for concern about an individual working in a school, a further education institution or a local authority education setting.

In addition, any relevant information received by the Department—for example, through the media—may be considered. Where allegations or offences cause concern but do not meet the criteria for automatic barring, information will be sought from a range of agencies and from the individual concerned. Supporting evidence is required to assess the seriousness of the behaviour, or alleged behaviour, and to establish whether the allegations are proved on a balance of probabilities.

It is impossible to say precisely how long it will take to conclude any given case, because the circumstances of each will vary. The length of time it takes to reach a decision very often also depends on how long it takes other agencies or bodies to provide us with the relevant information and evidence. However, we aim to conclude a case as soon as possible after receiving all the necessary information. Although we try to deal with all these cases as quickly as possible, obtaining sufficient information to decide whether to take up a case and then completing the processes inevitably takes time. Strengthening existing arrangements in the ways I have mentioned has led to a significant increase in the number of individuals on list 99. Last year, the total number was 8,036, but it had risen to 12,992 by January this year. The vast majority of the increase is due to the implementation of the amended list 99 regulations that came into force in February 2007.

In relation to cases referred before 20 January this year, the new Independent Safeguarding Authority has been advising the Secretary of State on his decisions under the current scheme. On 20 January this year, however, legislation came into force that required all referrals made from that point to be made to the ISA, and required the ISA to have responsibility for making decisions on those cases in accordance with the new vetting and barring system.

From July next year, all individuals registering with the new vetting and barring system will be subject to a regime of continuous monitoring. They will be reassessed against any new information, whether that comes from police, employers, social services departments or other sources. If necessary, they will be barred from the work force as a result. Legal penalties will exist to enforce that provision.

In certain circumstances, people will be barred automatically from working with children, although in the majority of cases they will be able to make representations about why the bar should be lifted. While those representations are being made, they will continue to be barred from employment as teachers or school workers.

Where the criteria for automatic barring are not met, all the facts of cases will be considered in deciding whether people are unsuitable to work with children and whether they should therefore be barred to prevent them from entering the children's work force. People are automatically barred from working with children and young people if they have been convicted or cautioned for any of a range of offences against children, including sexual offences. People are also automatically barred if they are subject to a court order that disqualifies them from working with children.

Barring becomes discretionary when there are allegations or offences that cause concern but do not meet the criteria that I have just mentioned. In cases where there are allegations of concern, the ISA will perform the most rigorous assessment by seeking information from police, employers and other agencies, as well as from the individual concerned, before reaching any decision. In some cases, a specialist risk assessment of the person will be commissioned: once completed, that evidence will be taken into account by the ISA.

The system is designed to be as fair and rigorous as possible. It gives those under consideration the opportunity to state their case, but it also reflects the huge importance that we have to place on safeguarding every single child's welfare.

Of course, placing people who are unsuitable to work with children on a barred list is one of the main safeguards in place to protect young people from harm, but it must be stressed that former and prospective employers also play a vital role. It is for any prospective employer to decide, on the basis of information gathered from criminal

[Sarah McCarthy-Fry]

record checks and other relevant sources of recruitment information, whether to employ a person. It is for former employers, when asked, to provide frank and accurate references for former employees.

The safety and welfare of children is always our top priority. If there is any suggestion that an individual might pose an immediate risk to any child or young person, we would expect action to be taken without hesitation. In cases where no criminal offence has been committed, the Department will be absolutely rigorous in its efforts to ensure that it has all the information that it needs to make a decision on whether a person poses a risk to children and should be barred.

The Department continues to consider cases after court proceedings have been completed: it does take court outcomes into account, but the Secretary of State also considers cases at the civil standard—that is, "on the balance of probabilities". The criminal courts test evidence at the higher criminal standard of proof—that is, "beyond all reasonable doubt"—so an acquittal of charges at court does not necessarily mean that an individual will not be barred.

As I have said, the Secretary of State is under a duty to consider allegations of a serious nature that suggest that children have been put at risk of harm. If the Department becomes aware of information—such as a press report, or information from police, employers, the courts or a member of the public—

7.39 pm

House adjourned without Question put (Standing Order No. 9(7)).

Deferred Divisions

Ecclesiastical Offices (terms of service) measure

That the Ecclesiastical Offices (Terms of Service) Measure (HC 270), passed by the General Synod of the Church of England, be presented to Her Majesty for Her Royal Assent in the form in which the said Measure was laid before Parliament.

The House divided: Ayes 362, Noes 21.

Division No. 92]

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Amess, Mr. David
Anderson, Mr. David
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Baron, Mr. John
Barrett, John
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Bellingham, Mr. Henry
Benn, rh Hilary
Benton, Mr. Joe
Benyon, Mr. Richard
Bercow, John
Binley, Mr. Brian
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Bradshaw, Mr. Ben
Brady, Mr. Graham
Breed, Mr. Colin
Brennan, Kevin
Brokenshire, James
Brooke, Annette
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Greg
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Corbyn, Jeremy
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Drew, Mr. David
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Eagle, Angela
Eagle, Maria
Efford, Clive
Eliman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Farron, Tim
Field, rh Mr. Frank
Field, Mr. Mark
Fitzpatrick, Jim
Follett, Barbara
Foster, Mr. Don
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gillan, Mrs. Cheryl
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Greening, Justine
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hammond, Stephen
Hancock, Mr. Mike
Harman, rh Ms Harriet
Harris, Dr. Evan
Harvey, Nick
Healey, rh John
Heath, Mr. David
Hemming, John
Hepburn, Mr. Stephen
Hermon, Lady
Hewitt, rh Ms Patricia
Heyes, David
Hodgson, Mrs. Sharon
Hollobone, Mr. Philip
Holmes, Paul
Hope, Phil
Hopkins, Kelvin
Horam, Mr. John
Howarth, rh Mr. George
Howell, John
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hurd, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Key, Robert
Khan, Mr. Sadiq
Kidney, Mr. David
Kirkbride, Miss Julie
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Laxton, Mr. Bob
Leech, Mr. John
Lepper, David
Levitt, Tom
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Mackay, rh Mr. Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Maude, rh Mr. Francis
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
Mercer, Patrick
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morgan, Julie
Moss, Mr. Malcolm
Mulholland, Greg
Mullin, Mr. Chris
Mundell, David
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Mike
Oliner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Ottaway, Richard
Owen, Albert

Paice, Mr. James
Palmer, Dr. Nick
Paterson, Mr. Owen
Pelling, Mr. Andrew
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Presser, Gwyn
Pugh, Dr. John
Randall, Mr. John
Reed, Mr. Andy
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Hugh
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rosindell, Andrew
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Shepherd, Mr. Richard
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Sneigrove, Anne
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tami, Mark
Taylor, David
Taylor, Mr. Ian
Thornberry, Emily
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Viggers, Sir Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Walley, Joan
Waterson, Mr. Nigel
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, rh Malcolm
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilshire, Mr. David
Wilson, Phil
Wilson, Mr. Rob
Wilson, Sammy
Winnick, Mr. David
Winterton, Ann
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Young, rh Sir George

NOES

Cash, Mr. William
Chope, Mr. Christopher
Cormack, Sir Patrick
Fallon, Mr. Michael
Gray, Mr. James
Holloway, Mr. Adam
Jackson, Mr. Stewart
Kawczynski, Daniel
Knight, rh Mr. Greg
Main, Anne
Penning, Mike
Pritchard, Mark
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Skinner, Mr. Dennis
Stuart, Mr. Graham
Swayne, Mr. Desmond
Turner, Mr. Andrew
Walker, Mr. Charles
Winterton, Sir Nicholas

Question accordingly agreed to.

Adjournment (May Day)

That this House, at its rising on Thursday 30 April 2009, do adjourn till Tuesday 5 May 2009.

The House divided: Ayes 304, Noes 103.

Division No. 93]

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Anderson, Mr. David
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Baron, Mr. John
Barrett, John
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Bercow, John
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Borrow, Mr. David S.
Boswell, Mr. Tim
Bradshaw, Mr. Ben
Brady, Mr. Graham
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Cooper, rh Yvette
Corbyn, Jeremy
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dobbin, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Farron, Tim
Field, Mr. Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Mr. Don
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Healey, rh John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David

Hemming, John
Hepburn, Mr. Stephen
Hermon, Lady
Hewitt, rh Ms Patricia
Heyes, David
Hodgson, Mrs. Sharon
Hope, Phil
Hopkins, Kelvin
Horam, Mr. John
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hunter, Mark
Hurd, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Key, Robert
Khan, Mr. Sadiq
Kidney, Mr. David
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Linton, Martin
Love, Mr. Andrew
Lucas, Ian
Mackay, rh Mr. Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Maude, rh Mr. Francis
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
Mercer, Patrick
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morgan, Julie
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
O'Brien, Mr. Mike
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Paice, Mr. James
Palmer, Dr. Nick
Penrose, John
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Pritchard, Mark
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Randall, Mr. John
Reed, Mr. Andy
Reid, Mr. Alan
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Simpson, David
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, David
Taylor, Mr. Ian
Thornberry, Emily
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Walley, Joan
Waterson, Mr. Nigel
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilshire, Mr. David
Wilson, Phil
Wilson, Mr. Rob
Wilson, Sammy
Winnick, Mr. David
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

NOES

Amess, Mr. David
Ancram, rh Mr. Michael
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Bone, Mr. Peter
Bottomley, Peter
Brazier, Mr. Julian
Brokenshire, James
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Curry, rh Mr. David
Duddridge, James
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Francois, Mr. Mark
Garnier, Mr. Edward
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Hammond, Stephen
Harper, Mr. Mark
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holmes, Paul
Howell, John
Huhne, Chris
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Letwin, rh Mr. Oliver
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
MacNeil, Mr. Angus
Main, Anne
Mason, John
McIntosh, Miss Anne
Miller, Mrs. Maria
Moore, Mr. Michael
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Ottaway, Richard
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Redwood, rh Mr. John
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simpson, Mr. Keith
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond

Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Wallace, Mr. Ben
Watkinson, Angela
Weir, Mr. Mike
Wiggin, Bill
Williams, Hywel
Winterton, Ann
Young, rh Sir George

Question accordingly agreed to.

House of Commons

Thursday 2 April 2009

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Fish

1. **Tim Loughton** (East Worthing and Shoreham) (Con): What steps his Department is taking to reduce the quantity of discarded fish. [268324]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): We are committed to ensuring more sustainable fisheries by tackling the important issue of reducing discards. The UK fisheries departments are therefore funding a range of work on discards in collaboration with the fishing industry. Ultimately, however, the solution to the problem will be found at European level, and the UK will play a leading role in agreeing an overarching EU policy on the issue later this year.

Tim Loughton: When I go down to Worthing beach to see the last vestiges of the Worthing fishing fleet, and to buy my fresh cod and have it freshly filleted in front of me, I am all too often told, "We haven't got any, but you should have seen all the ones that we had to throw away." Is it not time that we got rid of the obscenity that is fish discarding, and piloted a scheme that at least allows fishermen to land some of their by-catch and be rewarded for part of it? We should incentivise fishermen with more environmentally friendly policies, and get a fair deal for Britain's fishermen, fish-eaters and fish.

Huw Irranca-Davies: I am pleased to hear that the hon. Gentleman supports the Government's commitment to tackling the issue of discards. Undoubtedly, as I have maintained, it has always been the people who fill up their trolleys in the supermarkets and fishermen themselves who most hate the idea of discards. We have some innovative ways to tackle discards, including real-time closures, the conservation credit scheme, avoidance of spawning grounds and the high grading ban, of which I am sure he is aware. We will continue to work in the European Union to make sure that we have overarching policies to tackle the issue.

Mr. Frank Doran (Aberdeen, North) (Lab): My hon. Friend will be aware of the increasing anger in the fishing industry on both sides of the border about the way in which the effort control measures agreed at the December Fisheries Council operate in practice. In the Scottish fishing fleet, there are real fears for the viability of the industry. He will also be aware of the innovative and imaginative approach that the industry in Scotland has taken to the sustainability of the fleet. Is he taking the case to Europe, and what does he expect to achieve?

Huw Irranca-Davies: I applaud my hon. Friend for the way in which he has represented, and continues to represent, the issues relating to ensuring a viable fishing industry in his constituency and elsewhere. He is right to say that his local fishermen have led the way, through the conservation credits scheme, and by coming up with some of the most innovative ways to avoid discards and to tackle the issue of the sustainable, viable use of the seas. We continue to have dialogue on the issue with Joe Borg, the European Commissioner. We knew that it was a tough ask of our fishermen to get the balance right for the year ahead, but my hon. Friend and I, and the rest of the House, agree that we have to achieve a sustainable fishery not only for the 12 months ahead, but for the next 10 years and for the long term.

Andrew George (St. Ives) (LD): I hope that the Minister will, as invited, visit my constituency and talk to the fishing industry. When he does, he will recognise that, by value, west Cornwall is the most important fishing area in the country within his domain. When he talks to the industry, will he reassure it that the under-10 m fleet will be permitted to have the under-10 m regulations kept under review, particularly with regard to the impact that they have on the unintended by-catch of fish?

Huw Irranca-Davies: I thank the hon. Gentleman for writing to me on the issue, and for representing the interests of the fishing community in Cadgwith and in other places along the shoreline in his area. There are two clear priorities for me this year as regards the fishing industry. The first is to make sure that the commitments that we made in the European Union in the December negotiations are met, and that we work with the industry to meet them. The second is the under-10 m fleet, which is so important to our coast. I encourage the fishermen from Cadgwith, the hon. Gentleman and others to engage with the industry-led advisory panel that we are setting up, because we want to ensure that the under-10 m fleet not only perseveres and holds on along the coast line, but has a viable future. It is vital that fishermen engage with us and talk about the wide remit of how we put them on course for a sustainable, long-term future.

Mr. Robert Goodwill (Scarborough and Whitby) (Con): When looking at innovative ways of conserving fish stocks, I hope that the Minister will look closely at what has been done in Iceland, Norway and the Faroe Islands, which have used an alternative way of conserving fish. In the meantime, I know that he has a visit to my constituency pencilled into his diary. Will he look at the whiting quota? My guys on the east coast have already caught their whiting quota, and they will continue to discard whiting if additional quota is not released for them to use this year.

Huw Irranca-Davies: I am looking forward to visiting the hon. Gentleman's constituency in the near future. He is certainly right that one of the challenges that we face in how we organise fisheries policy in the EU is getting the balance right, so that we can fish throughout

the year. We are in danger of exhausting stocks in the spring, but we also want our fishermen to fish in the autumn and winter. There are difficult choices to make, not only about whiting but about cod and other fish. We always continue to keep the matter under review. Together with the Marine and Fisheries Agency and our scientists, we continue to look at how things are going month by month. However, we cannot escape the fact—no Government can—that we have difficult issues of sustainability on our seas. As I have said, we want to make sure that we are fishing not just this year, but in the next 10, 20 and 100 years and more.

Bees

2. **Richard Ottaway** (Croydon, South) (Con): What estimate he has made of the recent decline in the bee population; and what assessment he has made of the effect on levels of pollination on that decline. [268325]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): There are no reliable estimates on the number of honey bees in the UK, although there is consensus that the numbers have declined since the arrival of varroa in the early 1990s. No assessment has been made of the effect of that decline on pollination. I recently announced additional funding of £4.3 million for bee health, and that includes £2 million for research.

Richard Ottaway: The Secretary of State will be well aware that the economic benefit that agriculture derives from the bee population represents more than £100 million a year. There is widespread concern, not only in agriculture but in suburbs such as Croydon. He has committed funds to the issue, but will he set out more detail? May we have a strategy and a timetable? May we have something that will give confidence to beekeepers? In short, can he get his Department buzzing with activity?

Hilary Benn: The Department has already published its strategy for bee health, and we are doing a number of practical things. The additional funding that I have announced will allow more research to be undertaken. We are bringing together all those who fund research into bees and the diseases that affect them—varroa, foulbrood and nosema. I have also been talking to the Veterinary Medicines Directorate, because one of the things that we need to do is encourage new treatments to come on to the market. One of the practical things that the VMD has done to make that happen is to reduce the fee that it would normally charge those who apply for authorisation for medicines; it recognises the need to search for all the treatments and try to get them on to the market as quickly as possible.

The third part of the funding that I have announced will allow more inspections. National Bee Unit inspectors are warmly welcomed by beekeepers when they visit, and they provide an important source of information that can feed back into our plan for dealing with this important problem.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Last Saturday, I attended the Welsh beekeepers' convention at the Royal Welsh showground in Llanelwedd, where I met Karl Showler, a well known and well respected beekeeper from my constituency. I was told that more hives have survived and come through the winter in a good state than previously, so there is an element of optimism. However, if we are to deal with varroa in the long term, we will need a bee-breeding programme to encourage resistance to the disease. What is the Department for Environment, Food and Rural Affairs doing to encourage a bee-breeding programme?

Hilary Benn: I am glad to hear about the meeting that the hon. Gentleman attended. One of the problems faced by bee populations is the weather, which has been pretty bad in the past two years. When there is bad weather and the spring comes, there is an impact. The purpose of the funders' forum is to identify where there may be gaps in the research programme and make sure that the funding from the extra resources that we are putting in, and the other work being done on bee health, is applied to the important priorities, so that the problem is dealt with. The whole House recognises the importance of bees to our economy and to wildlife.

Anne Main (St. Albans) (Con): Another crucial pollinator is the butterfly, as I am sure the Secretary of State accepts. Butterflies have been declining for 20 years; six species have become extinct and 54 are in massive decline. Butterfly World is an enormous project in St. Albans. Will the Minister visit it and consider giving a similar amount of investment to ensuring the future of butterflies? If he could flutter up to us, we would be delighted to see him.

Hilary Benn: That is a tempting invitation. The hon. Lady has raised an extremely important point. We are putting a huge amount of money into trying to support biodiversity in our countryside. For example, agri-environment schemes, which have just celebrated their 21st anniversary, are all about supporting farmers in providing the kind of habitats in which a range of wildlife, including butterflies, can prosper.

Pitt Report

3. **Mr. Graham Stuart** (Beverley and Holderness) (Con): How many of the recommendations made by Sir Michael Pitt in his final report, "Learning Lessons from the 2007 Floods", have been implemented. [268326]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): The Government's response to Sir Michael Pitt's review in December 2008 set out what recommendations had already been implemented and what further steps were required. The Government will report on implementation every six months, beginning in June this year.

Mr. Stuart: One of the key recommendations of the Pitt review was the establishment of a Cabinet Committee to oversee flood prevention plans and strategies, yet we learned last month that the Committee has never even met. Thousands of my constituents were driven from their homes in 2007; many of them are traumatised every time they hear the sound of heavy rain. All they ask is that their Government do everything possible to ensure that such a catastrophe is less likely to happen again. Will the Minister confirm whether that Committee has met and, if not, when it will do so? Why are the Government not acting with greater urgency, and when will they take a grip of this issue?

Hilary Benn: We have taken a grip of the issue; and the Cabinet Committee will meet when it needs to. The question is whether we are getting on and doing what is required. I want to update the House: since the floods of 2007, we have completed 55 flood defence schemes that have protected 37,147 homes, which shows a Government who are getting on with it in order to protect people. I also inform the House that yesterday the flood forecasting centre, which was one of the recommendations of Michael Pitt's report, started operation, bringing together the Met Office and the Environment Agency. We are on track to publish the draft floods and water Bill in the spring. We have signed the first six contracts for surface water management plans with Hull, Gloucestershire, Leeds, Warrington, Richmond upon Thames and West Berkshire. We have had 100 applications for the household flood protection grant scheme. We have agreed three demonstration projects that will look at how land management might be able to help us to manage flood risk. That record shows the Government taking the matter seriously, getting on, and making things happen.

Mr. Eric Martlew (Carlisle) (Lab): Will my right hon. Friend congratulate the Environment Agency in my constituency, which, following the floods of 2005, has done a magnificent job of building flood defences? Three quarters of the city is now protected, and it was done on time and on budget. However, coming back to the Pitt report, the really important thing is protecting public utilities—the electricity supply, the fresh water supply and the waste water supply. Is that work being done?

Hilary Benn: The short answer to my hon. Friend's question is yes. A programme of work is under way. As I previously reported to the House, one example of that is the purchase by the national grid of moveable defences that can be taken to particular parts of the network that might be at risk. The flood forecasting centre is all about giving better warnings and greater accuracy about where there will be a problem, so that people are forewarned, prepared and can respond.

I thank my hon. Friend for his kind words about the Environment Agency. I know that his constituents suffered grievously in the terrible floods. It is right and proper that, as well as recognising that we need to do more, the House wants to say thank you to the agency's staff, because the 55 flood defence schemes and 37,000 homes that have been protected since the summer of 2007 are down to their hard work.

Miss Anne McIntosh (Vale of York) (Con): The question is about how many of the Pitt report's recommendations have been implemented, so I hope that the Secretary of State will not be coy and will tell us. Following the question by the hon. Member for Carlisle (Mr. Martlew), will he also confirm that the programme of work that the Environment Agency has agreed with the water companies to protect the critical infrastructure from flooding this spring—before the publication of the Bill—will not be thwarted by any outside body?

Hilary Benn: I do not know what outside body the hon. Lady is referring to. I take very seriously the responsibility to ensure that critical infrastructure is properly protected, as do the water companies and the Environment Agency.

As for progress on the implementation of Pitt's recommendations, the hon. Lady will see what we published in December, and she will see the first progress report when it is published in June. *[Interruption.]* I am happy to write to her with further details, if that is what she wants. I have just provided an update on a range of things that have happened since I last reported to the House, and we will carry on implementing Sir Michael Pitt's recommendations. As she will be only too well aware, he himself has expressed satisfaction at the progress that we are making.

Mrs. Ann Cryer (Keighley) (Lab): Have all the householders affected by the 2007 flooding been able since then to get adequate insurance for their properties? Eight years ago, when some 200 households were affected by flooding in Keighley, people had real problems in getting renewed insurance. Because of the good work of the Environment Agency, that has all been put right, and they now have insurance.

Hilary Benn: I am glad to hear from my hon. Friend that that is the case. The circumstances of individual householders will depend on the case and the approach that insurance companies take, but the single most important thing that we did to ensure the continued availability of insurance was to renew the statement of principles with the Association of British Insurers representing the insurance industry. The deal is the continued provision of insurance in return for the increased investment that the Government are putting into flood defence. That is the single most important step that we can take, and that increased investment has allowed me to report that we have completed 55 new schemes since the summer of 2007.

Tim Farron (Westmorland and Lonsdale) (LD): How many of the recommendations implemented will relieve the threat of flooding to farmland? Given that the 2007 floods saw 42,000 hectares of farmland flooded and therefore unusable for a significant period of time, and that demand for food across the world will double in the next 20 years, does the Secretary of State agree that we cannot allow productive agricultural land to be squandered in that way again?

Hilary Benn: Nobody wants to see productive agricultural land squandered, but in the end there has to be a system of prioritisation. This point has been the subject of debate, and indeed, I was expecting the hon. Member for Beverley and Holderness (Mr. Stuart) to raise the matter, because we have discussed it. We need a scheme of prioritisation that balances the value of the assets that we seek to protect, the density or sparsity of population, the value of the agricultural land and the number of homes that can be protected. One can cut the prioritisation system a lot of different ways, but the most important thing that we can do to protect more property and, where possible, agricultural land is to increase investment, which is what we are doing.

Mr. Brian Jenkins (Tamworth) (Lab): I face the difficulty that the previous question almost got to the point that I want to make; let me press the Secretary of State. An important part of our consideration of the flooding of agricultural land is the hydraulic survey of the Humber basin, the Trent and the Tame, which will shortly be

available. What is the Secretary of State doing to work with authorities that do not suffer flooding in their areas, but that must make preparations to absorb water before it goes down the river basin, flooding property and families further down the river? That is important; when will we get the details, and when will the Secretary of State give us the priorities for the work that needs to be done for future flooding areas?

Hilary Benn: My hon. Friend has raised an important point about the way in which we look at the problem. The whole purpose of the catchment flood management plans is to do precisely what he asks, which is to look at a catchment, see where water will come from and where it might flow, and understand what the consequences might be for flooding, so that we can bring everything together and take the right decisions on that basis. A number of plans are being developed involving the East Riding and the Humber, which I know is the subject of some controversy—the Environment Agency has said that it will consult further on the area represented by the hon. Member for Beverley and Holderness. But we have to look at the matter on a catchment area basis, so that we can work out where the water will go, how we can manage it and how we can protect as many homes as possible.

Mr. David Kidney (Stafford) (Lab): It is a curse of our modern times that while Sir Michael Pitt can warn us about the severe risk of dangerous, life-threatening flooding, the Government's chief scientist, Professor John Beddington, can also warn us about severe, dangerous, life-threatening droughts. Does my right hon. Friend agree that in trying to meet both those serious challenges, our reservoirs, our inland waterways and the terrific asset of our network of canals might be part of the solution for the future?

Hilary Benn: My hon. Friend is right. One of the tasks that we all face is preparing for a future in which, in some places and at some times, there is too much water and, in other places at other times, there is not enough. The warning of Professor Beddington is extremely timely, and it makes the point that in adapting to the changing climate, which is with us whatever happens while we try to avoid making the problem worse—that is why the meeting at Copenhagen at the end of this year is so important—we must use all means at our disposal to ensure that we conserve and use water as effectively as possible. We have taken it for granted for too long; we have to protect and conserve it much better in future.

Surface Water Charges

4. **Mr. David Amess** (Southend, West) (Con): What progress he has made in his consideration of options for mitigating the effects on water customers of increases in surface water charges. [268327]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I am pleased to report that United Utilities, about which most of the complaints on this issue have arisen, has in light of representations received taken steps to resolve the problem of disproportionate increases for faith buildings, community amateur sports clubs, scout associations and so on, by reverting to charges based on 2007-08 for those customers—that is, back to rateable value.

Mr. Amess: I am sort of reassured. I have the honour of being joint chairman of the all-party Scout Association group, and the information that the Scouts have given me is a little different from what the Minister has said. They and other charities have clearly made the point that surface water charges in such difficult economic times have damaging effects on voluntary organisations. They have also brought it to my attention that Ofwat has refused to meet the water companies. They are worried that, next year, when the moratorium is lifted, the charges will be crippling because they will be treated the same as multinational companies.

Huw Irranca-Davies: I should declare an interest as the former president of the West Glamorgan Scout Association. We are not out of the woods yet—*[Interruption.]* I am sorry; that was not a deliberate pun. The principle of surface water charging, whereby a proportionate element is charged to everyone for discharging water is right; otherwise we would have cross-subsidies and would have to get into the question of which organisations should be exempt. Four companies have introduced surface water charging, which, by and large, has been well received because they dealt with it sensitively. Lessons have been learned and the regulator has been fully involved, but we need to keep a close eye on the matter. The regulatory principles and the need to deal sensitively with all community associations are clear. I will personally ensure that that happens and so will the regulator. I encourage any hon. Member of any party who is currently experiencing problems to take the matter first to the water companies, and by all means to bring it to me as well.

Mr. Lindsay Hoyle (Chorley) (Lab): May I suggest that my hon. Friend gets out of the ivory tower of London? He needs to come to the north-west and learn what is happening to the churches, sports grounds and voluntary groups, which will close and cease to exist. No impact study has been done on the effect of surface water charges—no one is telling us how many churches and sports buildings will close and how many scout groups will cease. The bottom line is that United Utilities needs to be told to back off and not introduce the charge. If need be, we should introduce legislation to stop it—the sooner the better. Let us protect the people we represent.

Huw Irranca-Davies: I understand my hon. Friend's passion about the matter, but let me reiterate: United Utilities has agreed not to put a moratorium on this year's prices, but to revert to 2007-08 pre-surface water drainage charges. It will take 12 months to assess the way forward with the regulator. I have met the company chief executive and the regulator. We have also been in communication with churches, scout associations, sports clubs, our colleagues in Whitehall and fellow Members of Parliament. I welcome the pressure that has been brought to bear and the representations that have been made. As I have said, we are not out of the woods: we need to ensure that the 12 months produces an appropriate review, so that all the groups that have been mentioned are not hit disproportionately. I will keep my eye on the matter, as I am sure my hon. Friend will, too.

Sir Nicholas Winterton (Macclesfield) (Con): Last week, I asked the Leader of the House to arrange a debate—a topical debate or even a debate in Westminster Hall—in Government time on the matter. She suggested that I question the Minister today, and I am grateful to you, Mr. Speaker, for calling me to do that. The charge is unacceptable. The House has never agreed or introduced a proposal for such a charge for the disposal of surface water. The charge adversely affects many organisations—charitable, sporting and others. United Utilities in the north-west has announced a moratorium, but surely the Minister appreciates that that is only a delay. When will he say that the charge should be stopped and not introduced on any future occasion? That is justice; will he do it?

Mr. Hoyle: Nationalise it!

Huw Irranca-Davies: I hear the calls for nationalisation, although I am not sure whether the hon. Member for Macclesfield (Sir Nicholas Winterton) has suggested that. I repeat that things have moved on in the past few weeks, but we are not fully out of the woods. Events have moved on in that the moratorium has reverted to pre-surface water drainage charges in the United Utilities area. Four companies have introduced the model of charging that we are discussing. In three areas, it has been done proportionately, sensitively and in a customer-facing way. There is a way forward under the regulatory regime.

The call for legislation is interesting, and I assume that it covers exceptions. If we consider exceptions, I think that we all agree on scout associations, churches and community amateur sports clubs, but would we agree on, for example, consular buildings, fish farms, public houses—perhaps we would—and petrol filling stations, which had exemptions under the previous method of charging? Is that fair and proportionate? There is a way forward and we are getting there. I tell the hon. Gentleman to keep the pressure on, and we will get there.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): Is my hon. Friend aware that since the Conservatives privatised the water companies, for those who are in the Yorkshire region, as I am, it is impossible to have a dialogue with Kelder or Yorkshire Water on that or almost any other issue, because the major shareholder in private equity is the Singaporean Government, who are more conscious about surface water in Singapore than they are about surface water in England? Is that not the sad state that we are in, thanks to the privatisation that those people over there on the Conservative Benches introduced?

Huw Irranca-Davies: We are always keen to see any companies out there engaging properly with all hon. Members and their constituents. However, let me reiterate the guidance from the Secretary of State in 2003: "surface water drainage charges" for non-household customers

"should be set in a way that is sensitive to the actual use of the service by different premises. Premises with large grounds, such as burial grounds, schools, hospitals,"

and so on

"may have a large proportion of their land not draining to a public sewer. Companies should be prepared to set their charges...accordingly."

and the phasing in of such charges should be considered. I hope—indeed, I can see this now—that lessons are being learned by certain companies. However, we will keep the pressure on and the dialogue going, because we are as concerned as everybody else that the charges are imposed in a proportionate, fair and sensitive way.

Water Shortages

5. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What recent representations he has received on measures to prevent water shortages; and if he will make a statement. [268329]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): DEFRA has received representations on draft water resource management plans for all the English water companies, following consultation last year. These plans set out how the water companies plan to meet demand for water from 2010 to 2035 and to avoid shortages.

David Taylor: Given the Environment Agency's call this week for water meters in every home to protect against future shortages and the evidence given to our Select Committee on Environment, Food and Rural Affairs inquiry into Ofwat's price review by Citizens Advice that it dealt with 28 per cent. more water debt cases last year than two years ago, does the Secretary of State agree that defining "water poverty" and standardising the charges made by companies on consumers' sewerage and water bills are essential reforms if we are to protect ourselves against future water shortages without penalising poorer households?

Hilary Benn: That is precisely why we set up the review that Anna Walker is undertaking to look at charging. On average, water metering applies in a third of cases, but from memory the percentage ranges from 68 per cent. in Tendring Hundred down to 10 per cent. in Portsmouth. The Government have made it clear that by 2030 we will need near universal metering in those areas of the country where water is in short supply. The direction in which we are travelling is pretty clear. The change has affected the relative position of those who pay through metered charges, as opposed to those who use the other system. That is precisely why Anna Walker is looking at ways in which we can ensure fairer charging, while at the same time ensuring that we conserve water.

Nick Herbert (Arundel and South Downs) (Con): In a week when the Environment Agency has warned that climate change and a rising population will increase pressure on water supplies and when households have once again seen above-inflation rises in water bills, has the time not come for a new regulatory approach, so that water companies, and not just their customers, are incentivised to conserve and value water? Will the Secretary of State confirm that although the draft floods and water Bill is expected shortly, the Government are planning to drop measures to reform the water industry from that Bill?

Hilary Benn: As I said a moment ago, the draft floods and water Bill will be published in the not too distant future. Clearly, future legislation depends on the legislative programme; the hon. Gentleman will be well aware of

the process by which those decisions are taken. It is important that we ensure that the water companies have the right incentives, and part of the purpose of the water resource management plans is to ensure that there is a sufficient supply of water. A range of things can be done in that regard, including encouraging the more efficient use of water in people's homes. In some cases, it might be necessary to improve the supply, particularly in the parts of the country where there is a problem with that.

Derek Twigg (Halton) (Lab): We have one of the wettest countries in the world, we have just had some of the wettest few years on record and we have just been talking about flooding, so does it not beggar belief that there are still problems in some parts of the country that result in water rationing? Should not the regulatory authorities—particularly Ofwat—be doing a lot more, not least to ensure that leakage is reduced? That is still a major problem, and my constituents cannot understand why they have to watch water flowing away down the road and why it takes days, or even months, to sort out the problem and renew the pipes. What communications is my right hon. Friend having with Ofwat to ensure that it improves the reduction in leakages?

Hilary Benn: Ofwat takes that responsibility extremely seriously, and my hon. Friend will be aware that a lot of progress has been made to reduce leakages. However, when water companies have to make a choice about where they make further investment, they need to weigh up the cost of yet further leakage reduction work against other measures that might help to secure and improve the supply. That is the balance that they have to strike, and which Ofwat must consider, but there is no doubt that, in the years ahead, we will have to do more to ensure that we protect and preserve the water that we have.

Sir Patrick Cormack (South Staffordshire) (Con): In the light of these and the previous exchanges, is the Secretary of State really satisfied that Ofwat is performing its prime duty, which is to protect the consumer?

Hilary Benn: Yes, I am satisfied that Ofwat takes that responsibility extremely seriously. Indeed, the water companies will attest to the vigour with which Ofwat performs its duties. In the end, a balance must be struck between the price that consumers pay for water and the investment necessary to address the problems that hon. Members on both sides of the House have raised in this important discussion this morning. I think that Ofwat is doing a good job.

Topical Questions

T1. [268345] **Mr. Graham Stuart** (Beverley and Holderness) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): DEFRA's responsibility is to enable us all to live within our environmental means. I wish to inform the House that, from yesterday, only timber from independently verified legal and sustainable sources, or from a licensed forest law enforcement, governance and trade partner, will be used on the Government estate. I have also launched a consultation on how to toughen the proposed European legislation on tackling illegal logging. We believe that there should be an EU-wide prohibition on placing illegally produced timber on the market. I am sure that the House will also want to welcome the establishment of the South Downs national park.

Mr. Stuart: The Secretary of State said earlier that no one wanted to squander productive farmland. Why, then, is his Department pushing for compulsory set-aside? Is it because its only public service agreement deals with environmental matters? Is that why food and people never get a look-in at his Department when it comes to the policy crunch?

Hilary Benn: I have great respect for the hon. Gentleman, but I fundamentally disagree with what he has just said. It is not the case that food and people do not get a look-in. The problem in relation to set-aside is that it was introduced as a production control measure, it brought environmental benefits, and it now needs to be updated. Going back to the question about butterflies raised by the hon. Member for St. Albans (Anne Main), we need to examine how we can continue to derive those environmental benefits from the way in which the land is managed. As I said to the National Farmers Union conference, I do not have an ideological view on how we do that. I welcome the fact that the NFU and others are now looking at a voluntary scheme, and we are now consulting on that. I would encourage everyone to respond to the consultation.

Mr. Jim Devine (Livingston) (Lab): My right hon. Friend recently visited Nairobi. Will he report to the House what he learned on that visit?

Hilary Benn: We discussed a number of the questions that we have been debating this morning, but the single most important outcome of the meeting of the United Nations Environment Programme Ministers in Nairobi was our agreement to negotiate a deal on tackling mercury. The problem of mercury pollution is felt in many parts of the world. Indeed, I learned at first hand that traces of mercury are now being recorded by the monitoring equipment in Antarctica. This is why we need organisations such as UNEP: if we come together as a world, we can negotiate agreements to deal with environmental problems.

T2. [268347] **Mr. Michael Moore** (Berwickshire, Roxburgh and Selkirk) (LD): In recent days, there have been some suggestions of introducing some flexibility into the new regulations on the electronic identification of sheep. Will the Secretary of State confirm that, and does he recognise that there is now an urgent crisis in the hill farms of the UK, which the regulations will make much worse?

Hilary Benn: I am sure that the hon. Gentleman knows that I share the concern that he and many right hon. and hon. Members have expressed. He will also know that, as a result of our efforts, we have already made some progress on easing the impact of those regulations. I am glad to say that at the last Agriculture Council eight countries spoke up, including the UK, to express concern, whereas previously we were part of a

smaller group, so the message is spreading. The visit that Commission officials paid to the UK was important, because the Agriculture Commissioner said at the recent Council meeting that he intended to consider what further steps might be taken to ease the impact of implementation. We are putting a number of suggestions to the Commission, so I hope that we can make further progress, because it is very important that we do.

Mr. David Drew (Stroud) (Lab/Co-op): My right hon. Friend is proposing six trial areas for wildlife vaccination against bovine tuberculosis. It would be useful to know what criteria will be applied to those trials and when they will be published. Will my right hon. Friend take from me a commendation that in this regard, we are basing what we are doing on sound science—unlike some of the other proposals currently doing the rounds?

Hilary Benn: I am grateful to my hon. Friend for his kind words. Clearly, we are looking to run the six demonstration projects in the areas with the highest incidence of bovine TB, a terrible disease that is having an awful effect. The fact that we have an injectable vaccine, which we hope will be available from next summer, provides us with some means to try and deal with the problem. On a visit to the Veterinary Laboratories Agency last week, I met the team working on developing the vaccine: those people are very committed and very expert. I welcome the positive response of the farming community to this announcement, because, all being well next year, we will have some means of dealing with the problem of infection in wildlife.

Nick Herbert (Arundel and South Downs) (Con): DEFRA now claims that the target to halt biodiversity loss by next year was never realistically achievable. In that case, why did Ministers agree to it? The concern now is that the Government will do what they always do when they miss their own targets—make an excuse and change them. Three hundred and eighty-six of the Government's sub-targets for biodiversity—that is nine out of 10—have been missed, so can the Secretary of State explain that dismal performance?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): The setting of what was a very ambitious target was welcomed by very many bodies, including green non-governmental organisations, which recognised that although it was ambitious, it was the right thing to strive for. We now need to focus on the resetting of a target that is both ambitious and realistic, which is to be welcomed. In terms of biodiversity, we are taking relevant steps in all our six priorities. About 88 per cent. of sites of special scientific interest are in favourable or recovering conditions; the agri-environment schemes that I know are close to all our hearts are making good progress; we have introduced the Marine and Coastal Access Bill; and we have funded new international work of more than £8 million on the Darwin initiative. We are thus making good progress, but we know that there is more to do.

Mr. David Chaytor (Bury, North) (Lab): To return to the Environment Agency's statement on water metering, does my right hon. Friend agree that the public's understanding of the need for water conservation is a long way behind their understanding of the need for energy conservation? Is there more work that the Government need to do on that? Secondly—

Mr. Speaker: Order. We just cannot do a "Secondly". We will just do one question.

Huw Irranca-Davies: I agree with my hon. Friend that there is much more to do to ensure that companies and the public at large recognise the value of water. Everybody refers to it as a public asset that literally falls from the skies, but it has a value, and its value is relevant to some of our big objectives, including how we deal with climate change. We are all looking forward to the results of Anna Walker's review, which looks into issues of affordability, metering, tariffs and so forth. I think that it will help to guide proper evidence-based decision making. My hon. Friend thus raises a vital point.

Mr. Michael Jack (Fylde) (Con): Pursuant to the question of the hon. Member for Stroud (Mr. Drew), the announcement on the inoculation of badgers was silent about what would happen if diseased badgers—diseased with bovine TB—were found. What does the Secretary of State plan to do to ensure that those diseased animals are removed from wildlife?

Hilary Benn: Many people have raised that point, and I am grateful to the right hon. Gentleman for pursuing it. However, it is not as easy as some people say to establish which badgers have TB and which do not. There is no reliable in-field test to answer that question, which is why the injectable demonstration project is so important. Every badger that is caught can be inoculated, and that will, over time, reduce the burden of the disease on those badgers. The animal welfare legislation makes clear what people should and should not do if any animal is obviously in a very distressed state.

T3. [268349] **Mr. Laurence Robertson** (Tewkesbury) (Con): We rightly have high animal welfare standards in this country, and I would not wish them to be lowered, but is it not rather unfair to our farmers that so much food is imported from countries outside the European Union whose animal welfare standards are far less stringent than ours? What can the Government do to redress that unfairness?

Hilary Benn: I think the House should welcome the fact that we have such high animal welfare standards. I know that the hon. Gentleman takes that view. We have, for example, the freedom food assurance scheme—sponsored by the Royal Society for the Prevention of Cruelty to Animals—which goes beyond the legal requirements, and we have seen a rising demand for free-range eggs in recent years.

The World Trade Organisation's rules do not allow for discrimination on the basis of the system of production. I think that the answer to the hon. Gentleman's very important question is that we should ensure that the public have more information about the way in which the food is produced, so that they can support higher welfare standards through their choice of what to buy.

T4. [268350] **Simon Hughes** (North Southwark and Bermondsey) (LD): Given the importance of upland hill farmers to our biodiversity in Britain, and given

that 85 in 100 hill farmers across the United Kingdom have no likely successors, would Ministers be willing to meet colleagues from Scotland, Wales and England to discuss a hill farm apprenticeship scheme, so that we can not only preserve employment in the uplands but protect the biodiversity of this wonderful country?

Hilary Benn: I should be extremely happy to have such a meeting. In fact, when I leave the House today I shall go to a round-table meeting that I have convened to discuss the question of skills and the future of agriculture and horticulture, and I shall raise the hon. Gentleman's suggestion there.

The hon. Gentleman will be aware of the support that we are providing through the upland entry level scheme which will replace the hill farm allowance. We published the proposals recently after a good deal of consultation. I am grateful to all who contributed to that consultation. I am also grateful for the warm welcome that the announcement received, because it is a demonstration of the Government's commitment to look after the land and the people who work on it.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Rape (Victim Support)

1. **Mr. David Chaytor** (Bury, North) (Lab): What steps she plans to take to provide greater support during rape cases brought by the Crown Prosecution Service for those who have been raped, in the light of the findings of the Equality and Human Rights Commission's "Map of Gaps" report. [268314]

5. **Julie Morgan** (Cardiff, North) (Lab): What further plans she has to provide assistance to women victims and rape support groups. [268318]

The Solicitor-General (Vera Baird): Local authorities identified by the "Map of Gaps" report as having no services for women victims of violence have received letters from the chair of the Equality and Human Rights Commission seeking their responses, and I am in the course of writing to local Members of Parliament to ask them to take an interest in the issue. Although most authorities are providing local services, the Government contributed an extra £1.1 million last year, and have committed an extra £1.6 million this year, to ensure that those services are funded. I welcome the publication of an updated Crown Prosecution Service policy for the prosecution of those who commit rape.

Mr. Chaytor: Is it not striking that 30 per cent. of English local authorities provide no service whatsoever, whereas in Wales and Scotland there is 100 per cent. coverage? What more can my hon. and learned Friend do to enforce the requirement for every local authority in England to provide an appropriate service and to do so quickly?

Sir Nicholas Winterton (Macclesfield) (Con): Give them the money.

The Solicitor-General: My hon. Friend has put his finger on the point—and the Conservative Member who shouted something about money has missed the point entirely. Under their local area agreements, local authorities are sent funds which most of them spend appropriately on delivering services, although some, lamentably, do not. The commission has written to authorities precisely because it wishes to establish whether there has been a breach of the duty imposed on local authorities to render gender equality to their public. If it finds that such breaches have occurred, legal action can and, I imagine, will be taken.

Julie Morgan: "The Map of Gaps" shows that there has been reasonable progress in Wales in the criminal justice and statutory system, but many women victims still feel unable to go to the police. Does my hon. and learned Friend agree that there is a case for providing more voluntary sector services, and particularly women-only services, which women find it easier to go to?

The Solicitor-General: I agree completely. Women-only services are key in situations where someone is feeling vulnerable and asserts that they have been attacked by a man; women find it more reassuring if they are sure that a woman will attend to them when they go for help. One slightly suspects that some of the defects that seem to be apparent in "The Map of Gaps" may arise because, although some of the services are in place, they are not solely for women so women are not using them or they are not adequate for women's needs. I strongly agree that it is key at this vulnerable time that women can be sure that they will be able to talk to women only.

Mike Penning (Hemel Hempstead) (Con): Everyone in the country and the House will agree that rape is an abhorrent and disgusting crime, and that those who are found guilty of it should be named and shamed and serve their punishment, but is it really fair for a person who is found not guilty to have had their name dragged through the press while the trial takes place? Should there not be a more level playing field for those who are found innocent of this crime?

The Solicitor-General: If the hon. Gentleman is advocating that there should be anonymity for all defendants in all criminal cases until conviction, that is a principle that would have to be considered by Parliament, but it has turned its face against that and believes that all defendants should be named. There is nothing special about rape cases, because allegations of murder or paedophilia, for instance, are very damaging to the individual concerned as well. Unfortunately, if we were to do what the hon. Gentleman proposes, the inference would definitely be that there is some special reason to protect male defendants in rape cases against women, and the inference would be that there are more false complaints in rape cases than in any other cases, which simply is not true. Therefore, I am afraid that I am completely against what the hon. Gentleman proposes.

Mr. Peter Bone (Wellingborough) (Con): Does the Solicitor-General accept that there is not the support that there should be for victims of human trafficking outside London who have been repeatedly raped?

The Solicitor-General: No distinction is to be drawn in terms of delivery of services between victims of trafficking who have been raped and other people who have been raped, as they are, of course, all entitled to call on the support services. The hon. Gentleman is, perhaps, right about the availability of accommodation in London, but I believe that there are agreements in place between the POPPY project, which is the main supplier of accommodation, and some other women's groups to make sure that some accommodation and support is available outside London as well. That emerged as part of Operation Pentameter 2, with which the hon. Gentleman is familiar.

Ms Katy Clark (North Ayrshire and Arran) (Lab): My hon. and learned Friend will be aware that until May 2007 the funding for women's aid groups and other groups providing support for women in Scotland was ring-fenced. The loss of that protection means that funding has been cut to those organisations. Does she agree that we should look into that because there should be core funding of those essential services?

The Solicitor-General: My hon. Friend the Member for Bury, North (Mr. Chaytor), who asked the first question, referred to the better spread of services in Scotland, which was possible because they were funded centrally until the date my hon. Friend the Member for North Ayrshire and Arran (Ms Clark) mentioned. The view is that these essentially local services should be provided locally, and I believe the Scottish Government now share that opinion. The funding is not sufficient, however, and I can assure my hon. Friend that work is going on within the Government Equalities Office and my own Department to try to work out a sustainable funding plan for those services.

Serious Fraud Office

3. **David Taylor** (North-West Leicestershire) (Lab/Co-op): What use the Serious Fraud Office has made of money retained under proceeds of crime legislation in meeting its objectives in the last five years. [268316]

The Solicitor-General: The SFO retains a share of funds recovered under the proceeds of crime legislation through the asset recovery incentivisation scheme. Following the Balfour Beatty judgment in October, £2.25 million was recovered and the SFO is due to receive about £1 million of that, which will be used to continue to fund its operations.

David Taylor: The Proceeds of Crime Act 2002 was introduced by the then Home Secretary, my right hon. Friend the Member for Sheffield, Brightside (Mr. Blunkett), who now says that the legislation was

"intended to bankrupt those who made enormous amounts of money out of Criminal Behaviour."

How well does my hon. and learned Friend feel that that ambition has been realised, and what level of assets is being left for victims of crime to seek compensation via the civil recovery route?

The Solicitor-General: My hon. Friend raises an important point. The SFO has had the powers to do civil recovery only since last April, and it has had to go through an accreditation process to facilitate that. Once again, however, he has put his finger on the point: compensation to victims takes priority over assets recovery, and in cases pursued by the SFO, almost always the real intention is to get the money back into the hands it is being defrauded from. I have no doubt that more can be done, however, to make effective use of the Proceeds of Crime Act, and I know that efforts are being made in the SFO in particular to ensure that that does follow.

Mark Pritchard (The Wrekin) (Con): But is it not the case that for every crime committed, all of society suffers? In particular, there is the huge cost of feeding, housing and guarding criminals. Will the Solicitor-General consider extending or perhaps reviewing existing legislation to ensure that wealthier criminals actually pay for their time when they are in prison?

The Solicitor-General: That is a very interesting point and I shall spend a lot of time dwelling on it over Easter, although it is not actually the responsibility of my department.

Mr. Jonathan Djanogly (Huntingdon) (Con): What steps is the Solicitor-General taking to address the serious deficiencies shown up in the SFO by the recent—I say recent, but it was nearly a year ago now—de Grazia report, and will she respond to the letter I sent to her about this more than six weeks ago?

The Solicitor-General: The hon. Gentleman really ought to look back at the answer I gave him the last couple of times he raised this issue. The de Grazia report was a considerable time ago now and, as he knows, Richard Alderman has come in and made significant management changes that we are confident will take the matter forward. *[Interruption.]* The hon. Gentleman asks what they are, but I have told him a million times. He always asks me the same question: he asks, "Aren't these changes a sign of deterioration?", and I say, "No, they are a sign of an improved management structure." He is most welcome to talk to Richard Alderman himself.

Torture

4. **David Davis** (Haltemprice and Howden) (Con): Whether any cases of alleged UK involvement in torture overseas other than that of Binyam Mohamed are being investigated by the Attorney-General. [268317]

The Solicitor-General: The Attorney-General is not carrying out investigations. The Law Officers have an independent constitutional role as guardians of the rule of law and of the public interest. We will ensure that any further such cases of possible criminal wrongdoing that are sent to us receive careful consideration and are referred for police investigation if that is appropriate.

David Davis: I thank the Solicitor-General for that answer, but I have to ask her, why not? At the end of last week, senior sources in MI5 and MI6 admitted that there were some 15 other cases similar to the Binyam Mohamed case, and at least one—the Rangzieb Ahmed case—has gone to trial and completion. There was an admission in court by MI5 that it had co-operated with the Pakistani authorities at a time when Mr. Ahmed had had his fingernails removed by those authorities. Can the Solicitor-General therefore tell us why not, because in these circumstances, it seems to me that justice should be done in all cases, not just in one?

The Solicitor-General: I am not sure what the right hon. Gentleman is asking me "Why not?" about. If he is asking me why the Attorney-General is not carrying out investigations, it is because they are done by the police; she has no separate cohort of investigating officials. The role that the court gave to her was of securing the public interest. The rule of law by the United Kingdom has been set in motion by reference of the issues in this matter to the Attorney-General, so she will, in all cases received by us from any other Government Departments, carefully consider them by a proper process and decide whether the police should investigate. Any investigation will follow from the police in the normal way, and of course it is perfectly open to anyone to go to the police and request an investigation, as well.

Mr. David Winnick (Walsall, North) (Lab): Does my hon. and learned Friend the Solicitor-General—and, I hope, the Attorney-General—accept that these are the gravest allegations: that people have been tortured with the knowledge and compliance of security officers? Is it not also absolutely essential that the investigation by the police—the Metropolitan police, in one case—should be carried out as quickly as possible? There is a suspicion that this is being delayed endlessly, which is unacceptable.

The Solicitor-General: I agree that it is necessary for an investigation by any police force—and in this case too—to be carried out with whatever dispatch is compatible with it being rigorously done and a proper conclusion being reached.

David Howarth (Cambridge) (LD): I agree with the hon. Member for Walsall, North (Mr. Winnick) that these are grave allegations indeed. May I ask the Solicitor-General about another aspect of this? It is possible, under the Intelligence Services Act 1994, for Ministers to authorise Crown servants to commit illegal acts abroad. Can she assure the House that no such authorisations have been issued in these 15 cases?

The Solicitor-General: I know of no 15 cases, although I have seen speculation about numbers in the press—I comment not at all about any number of any kind. I have no knowledge of any such order being made; as I say, there are no 15 cases of which I am aware. I agree wholeheartedly that torture is wholly unacceptable. These cases—if they come forward and if there are more—will be looked at with the utmost care, with a view to ensuring that any possible criminality will be investigated by the police.

Crown Prosecution Service

6. **Fiona Mactaggart** (Slough) (Lab): What assessment she has made of the effectiveness of the Crown Prosecution Service's charging policy in cases of repeated fraud; and if she will make a statement. [268320]

The Solicitor-General: The decision on whether or not to prosecute is taken in accordance with the principles set out in the code for Crown prosecutors issued by the Director of Public Prosecutions under section 10 of the Prosecution of Offences Act 1985.

Fiona Mactaggart: The Solicitor-General has been very helpful to me, and to my constituents, in the case of a major fraud, but one of the problems with fraud is that of repeat, relatively minor frauds. My constituent, Parmanjeet Sandhu, has been a victim of a woman whom she knows as Suzanne Halim. This perpetrator also goes under the name of Soad Al Majeed and has many other aliases, but is not being prosecuted because the Crown Prosecution Service does not believe that it can secure a conviction. One of the phenomena about fraudsters is that they are very good at covering their tracks, so will the Solicitor-General talk to the CPS about whether there are better ways to protect our constituents against repeat fraudsters?

The Solicitor-General: My hon. Friend is a fierce defender of her constituents' rights, and she has come to me with an earlier case. I am grateful to her for saying that I have been helpful—I hope that I can be as helpful on this matter. The calibre of the police investigation is what matters, but it is always open to the police to look again at a case if additional information emerges. In this case, it sounded to me as though she may have additional information in which the police might be interested. As she says, I believe rightly, the case is not going to be prosecuted as things stand, so I urge her to make the appropriate contacts.

Prosecutions (Children)

7. **Mr. Anthony Steen** (Totnes) (Con): How many prosecutions there have been of children at or above the age of criminal responsibility in each of the last three years? [268321]

The Solicitor-General: The hon. Gentleman asks about the number of people who are prosecuted at around the age of criminal responsibility, and I can tell him only who has been prosecuted in the youth court over the years about which he inquires. The CPS prosecuted just over 118,000 young offenders in 2006, 134,000 in 2007 and 119,000 in 2008—those are approximate numbers, but I can give him the chapter and verse if he wants that.

Mr. Steen: The CPS guidance of 2007 was updated in 2009 to instruct police and the prosecutors to refer to the UK Human Trafficking Centre regarding the identification of trafficked children. However, the guidance is not being consistently implemented, and children found in cannabis factories are being prosecuted and sent to prison—a number of cases are outstanding in the courts. Will the Solicitor-General meet a number of the non-governmental organisations that are concerned about this and wish to discuss the fact that the CPS is not following its own guidelines?

The Solicitor-General: We do meet the third sector; the inter-ministerial group that looks into trafficking on an ongoing basis itself has a stakeholder group, which is comprised of the very people to whom the hon. Gentleman is referring. I am very willing to meet anyone further about the matter, but he must bear in mind the fact that that guidance is in place and is observed. It is by no means the case that all Vietnamese young people—this is who he is talking about—who are found in cannabis factories are trafficked, so there may always be

decisions taken to prosecute such people because those decisions are compatible with the evidence that these are not trafficked people; indeed, they are not necessarily as young as they at first sight appear. Of course I shall meet anyone whom he wishes me to meet, if he is worried about this.

Business of the House

11.35 am

Alan Duncan (Rutland and Melton) (Con): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for the week commencing 20 April is as follows:

MONDAY 20 APRIL—A general debate on defence procurement.

TUESDAY 21 APRIL—Consideration in Committee and remaining stages of the Industry and Exports (Financial Support) Bill, followed by: the Chairman of Ways and Means has named opposed private business for consideration.

WEDNESDAY 22 APRIL—My right hon. Friend the Chancellor of the Exchequer will open his Budget statement.

THURSDAY 23 APRIL—Continuation of the Budget debate.

FRIDAY 24 APRIL—Private Members' Bills.

The provisional business for the week commencing 27 April will include:

MONDAY 27 APRIL—Continuation of the Budget debate.

TUESDAY 28 APRIL—Conclusion of the Budget debate.

I should also like to inform the House that the business in Westminster Hall for 23 and 30 April will be:

THURSDAY 23 APRIL—A debate on the report from the Foreign Affairs Committee on overseas territories.

THURSDAY 30 APRIL—A debate on DEFRA's Darwin initiative.

Alan Duncan: I thank the Leader of the House for giving us the forthcoming business. However, I and others are concerned that Government business appears to be in a rather chaotic state. The equality Bill and the child poverty Bill were in the Queen's Speech, but have not been published. The draft floods and water Bill that was promised has not been published either. We were also promised a statement by now on the heritage protection Bill, because the Government have dropped it, but we have heard nothing. The selection of names to sit on the Autism Bill Committee has not been taken forward. Can the right hon. and learned Lady please explain what on earth is going on in all those areas?

We are pleased that the Chancellor is to give a statement to the House on the G20 this afternoon. We called for that and we are glad that the Government will come to the House before we rise for the recess. Many will conclude that the conduct of some of the demonstrators created a poor image for Britain, so perhaps we might all take the opportunity to appreciate, in contrast, the authority and dignity of Her Majesty the Queen at moments such as this. She is a unique asset for Britain—for which we should be proud and grateful.

May I seek the views of the Leader of the House on motion 23 on today's Order Paper and ask her to add her name to it so that it can be debated and voted on? We all appreciate that the House should not interfere in the judicial process, but in this case there is confusion and even anger in the House about the ground rules that should govern the applicability of privilege when a Member is so directly involved. It is for the House to address matters of privilege, and we have the Committee on Standards and Privileges to advise us. The impression is being given that we have decided not to address the matter, but would rather leave it hanging. That is not the case. It is the right hon. and learned Lady's refusal to endorse this motion that is preventing us from debating it and referring it to the Committee on Standards and Privileges. Will she now allow this motion to go forward so that the Committee can study the whole issue without her blocking it any longer?

Yesterday, Sir Andrew Foster published a damning review of the catalogue of failure in Ministers' management of further education colleges. The Secretary of State said yesterday in a written statement that he would give a further statement after the recess. Will the right hon. and learned Lady confirm that this will be an oral statement, and can she further promise another debate on this crisis that the Government have created?

Once again, may I ask for a further debate on Regional Select Committees? The whole set-up is becoming ever more farcical as each week goes by. The North East Committee is in disarray, the South West Committee was barely quorate, and the West Midlands Committee—scheduled to take place in Birmingham, appropriately at the old Custard Factory—was cancelled because members were not prepared to turn up. When will she be prepared to admit that this whole innovation is an embarrassing mistake?

Given the growing anger at Lord Myners's apparently inaccurate witness to the Select Committee on the Treasury, hon. Members will want to see him questioned further until we get the full truth. May we also have a statement even from the Prime Minister himself about the conduct of and his confidence in that increasingly tarnished Minister?

Furthermore, may we have a statement from the right hon. and learned Lady on her equality Bill? It would appear that Lord Mandelson now wants to block it and is in a somewhat unequal struggle with her, the supposed equalities Minister.

Despite her difficulties with Lord Mandelson, the right hon. and learned Lady has many supporters elsewhere. May I refer her to an article that appeared this week in *The Daily Telegraph*, which made this claim:

"On current form, she is doing a first-class job"?

Unfortunately, it was an article that referred to her as a Conservative plant, designed to insinuate her way into the top tiers of the Labour party, "destroying" it "from within". May I therefore offer her my personal congratulations, and also wish her a very happy Easter? I hope that she can be my Easter bunny and not a hot cross bun.

Ms Harman: The hon. Gentleman asked about the child poverty Bill and the equality Bill. Both will be coming forward. Not only I, as Minister for Women and Equality, but the whole Government are committed to fairness and equality. That is why we put the equality Bill in our manifesto. That is why it was in the draft legislative programme and why it will be brought forward. *[Interruption.]* Opposition Members call out, "Who's against it?" That is very good news; it is great if we can have the support of the whole House for that important measure.

The hon. Gentleman mentioned the important work of the G20 summit. As he said, there will be a statement from the Chancellor of the Exchequer at 5 o'clock. The

hon. Gentleman also mentioned the demonstrations, and I want to place on record the fact that the overwhelming majority of the demonstrations were peaceful protests, with people exercising their legitimate right to demonstrate in the streets. I pay tribute to the police for their work, which included dealing with the very small minority who sought to disrupt the summit and the peaceful protest.

The hon. Gentleman talked about the motion on the Order Paper on privilege. I do not want to delay the House for too long on that point, but the reason I will not support the motion or bring it to the House is that it is for the police to investigate criminal matters or alleged criminal matters, and it is for the Crown Prosecution Service to decide what evidence it is necessary to bring before the court to secure a conviction, if there is going to be a prosecution. It is for the court to decide what is admissible in evidence. It is not for any Committee of this House to decide what is or is not admissible in evidence. If there is a question of the privilege of the House and the House wants to assert its privilege in court, it can do so via the office of the Attorney-General acting as amicus curiae.

There is a difference of view between the shadow Leader of the House and me on this point. I have sought the Attorney-General's advice and she confirms my view of the legal situation. I know that the Chair of the Standards and Privileges Committee has also asked for the Attorney-General's advice, and on that basis no doubt that advice will be made plain. As Leader of the House, my concern is to ensure that we do not impinge on a criminal investigation, that Members of Parliament are not above the law and that we protect our privilege, but do so appropriately.

The hon. Gentleman asked about further education colleges. I want to thank Sir Andrew Foster for the report that he has helpfully produced. He talks about the excellent programme of capital investment in FE colleges that has transformed more than half the estates of those colleges, with benefits for countless students, staff and entire communities. He says that the programme has helped the skills in our economy and added to our global competitiveness, but concludes that it has been mismanaged. The Government are considering his important and helpful report, and we will be updating the House about it.

The hon. Member for Rutland and Melton (Alan Duncan) talked about the South West Regional Committee. I see that my hon. Friend the Member for Stroud (Mr. Drew) is in his place, and he will attest that there was rigorous examination by—

Mr. Andrew Robathan (Blaby) (Con): It had only three members!

Ms Harman: There would be more if Opposition Members joined the Committee. There was rigorous questioning of members of the local regional development agency about what they were doing to make sure— *[Interruption.]*

Mr. Speaker: Order. Mr. Robathan, you are a senior Whip and therefore you should behave yourself and show a good example. You are not doing that. The Leader of the House has been asked a series of questions and is giving replies.

Ms Harman: My hon. Friend the Member for Stroud may sit on the Labour Benches but he is a fierce champion of his constituents and the region and there was proper cross-examination of the evidence put forward by the RDA. Opposition Members know that the Regional Select Committees have been set up as part of a pilot programme. The hon. Member for Rutland and Melton asks whether they should be scrapped and re-examined, and we have agreed that they should be kept under review. The pilot will last for one Parliament only but the evidence from the sitting of the South West Regional Committee suggests that it is doing a very good job. I urge hon. Members to join the Committees' work.

The hon. Gentleman asked about Lord Myners. I remind the hon. Gentleman that Lord Myners helped to save that bank when it was falling off the edge of a cliff, in stark contrast to those who had been running it. In addition, Lord Myners takes no pay, which is also in stark contrast to those who had been running that bank. He is doing important work on behalf of the Government.

The hon. Gentleman asked about the membership of the Committee considering the Autism Bill. That private Member's Bill is on course to have its first sitting on 29 April.

Dr. Kim Howells (Pontypridd) (Lab): The Leader of the House will be aware of the growing problem of film piracy and intellectual property theft in the entertainment industry, which is one of the country's most important employers and earners of foreign currency. In 2007, film piracy alone cost the UK film and television industry a staggering £486 million—money that could have been put to better use funding British talent and financing the next "Slumdog Millionaire" or "In Bruges". Will my right hon. and learned Friend therefore consider holding a debate on the issue of piracy in the creative industries and its effect on our economy?

Ms Harman: I know that my right hon. Friend has a longstanding commitment to the arts and that he has a fine record as a Minister with the Department of Trade and Industry and the Department for Culture, Media and Sport. He knows the importance of the film industry to this country. Perhaps he can bring that to the attention of Ministers on the Monday when the House returns.

Mr. David Heath (Somerton and Frome) (LD): I, too, welcome the fact that the Chancellor of the Exchequer is to make a statement this afternoon—although, had the House been sitting tomorrow, it would have been better to get a report then from the Prime Minister.

It is likely that one of the clear conclusions of the G20 summit will be that there should be a global crackdown on tax evasion, so can we have a debate in this House on that subject? We should look in particular at the position of the British overseas territories such as the Cayman Islands, the Turks and Caicos Islands, the British Virgin Islands and the Crown dependencies. We should also look at the position of Her Majesty's Revenue and Customs and how it treats what it describes as "high-risk corporates". That term basically means that the bigger and richer a firm is, the less HMRC will chase it for tax, and that cannot be right.

The Home Office gave a solemn undertaking to the High Court that a statement would be made to the House before 24 April about the Gurkhas' right of

[Mr. David Heath]

domicile. We have not yet had that statement. The Budget statement is on 22 April, so will the Leader of the House tell us categorically when the Home Secretary will come to the House to make that statement?

I wholeheartedly welcome the speedy response to the suggestion by my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) that the party leaders come together to talk about MPs' expenses. The suggestion was taken up by the right hon. Member for Witney (Mr. Cameron), and indeed the Prime Minister. Not only do those talks need to take place urgently, but they need urgently to be reported to the House, so that other Members have an opportunity to express a view. I think we all agree that something needs to be done as a matter of urgency—we cannot go on like this. It is unacceptable both for us and for the world outside.

While we are talking about remuneration in the public sector, may we shortly have a debate about what seems to be the rapidly escalating cost of appointments to non-departmental public bodies—the quangos? It seems to me that the amount of money being given to people who serve on those bodies is going completely over the top. The leader of the Infrastructure Planning Commission is the latest: £184,000 a year for a part-time, non-executive job. That is vastly more than the Prime Minister is paid. May we have a debate on that matter?

Last week, I drew attention to the shenanigans in the Apprenticeships, Skills, Children and Learning Bill Committee, where as a result of an incompetent Whip, feckless Labour Members and a hapless Minister, the Government lost votes, so after business questions the Whips threw all their toys out of the pram and decided that the Committee would sit all night—for 17 hours—and complete the Bill, leaving a day free. That is the politics of the kindergarten; it is not a way of seriously considering legislation, so can the Leader of the House give me an assurance that when the Bill returns to the House on Report we will have enough time for sensible, reasoned consideration of its measures, and that she will not attempt to guillotine it so that we again have rushed legislation that has to be amended in another place?

Ms Harman: The hon. Gentleman asked about tax evasion. No doubt he can raise that with the Chancellor of the Exchequer this afternoon when my right hon. Friend makes his statement on the G20 summit. Tackling offshore tax havens has been very much at the centre of discussion at the G20 today. The Government are working internationally to make sure that we clamp down on tax havens, but we also work every year in the Budget and through the Finance Bill to make sure that we plug tax loopholes. As I announced earlier, there will be a debate on Thursday 23 April on overseas territories, when no doubt such issues could be considered.

I will look into the question of pursuing progress on the response to the Gurkhas that the hon. Gentleman asked for. I will write to him about that, and perhaps when the House returns I will take the opportunity to tell the House if there is something substantive.

On the question about the allowances we receive so that we can do our work as Members of the House, I refer the hon. Gentleman to what the Prime Minister said yesterday. I will not actually read out the words, but it was clearly set out that the Prime Minister was happy to have a meeting with other party leaders, that he thought action needed to be taken, that all parties could agree that the Committee on Standards in Public Life could do a good job looking at the issues and that he had asked it to speed up its review so that it could be completed as quickly as possible. That is the course of action and approach that should be taken; we should work across the parties and with the independent Committee on Standards in Public Life.

The hon. Gentleman mentioned remuneration, both pay and bonuses, of people on non-departmental public bodies. We agree that we have to keep a careful eye on not only the pay but the bonuses of chief executives and top managers of NDPBs. This is public money, and we do not want people feeling that there has been a race to the top, following the excesses in the finance industry, that has affected pay and remuneration levels in the public sector. I agree with the sentiments that lie behind the question and reassure the hon. Gentleman that the Government and all Departments and Ministers are looking at it. He will know that we seek to take action in the finance sector, not only internationally through international agreements on remuneration to tackle risk taking and excess, but also with work through the Financial Services Authority to make clamp-downs on remuneration part of its work on corporate governance.

The hon. Gentleman mentioned the Apprenticeships, Skills, Children and Learning Bill, which we regard as a very important measure. It will guarantee education up to the age of 18, and apprenticeships in the future for all those who are suitably qualified. That is very important indeed. The Bill contains more than 200 clauses and insufficient progress was being made in Committee. Extra time was made available for scrutiny, with many extra hours for Committee sittings, and after those extra hours progress was indeed made.

Kelvin Hopkins (Luton, North) (Lab): School league tables have just been published and yet again we see wide dispersion of performance between schools and a fairly wide dispersion between schools with similar social composition. I am absolutely convinced that the crucial factor for success in schools is teaching methods and classroom regimes, yet we still seem reluctant to address them directly. Will my right hon. and learned Friend make space for a debate on teaching methods, to make sure that all our children have the best possible advantages when in school?

Ms Harman: The skill level of children is a question not just of fulfilling their individual potential, but of the future prospects of the economy. No doubt, education will come up in the Budget debate and perhaps my hon. Friend and other Members on both sides of the House will be able to raise those issues then.

Mr. Charles Walker (Broxbourne) (Con): On 3 March, secondary schools in Hertfordshire were notified by the Learning and Skills Council of their sixth-form funding settlements. On 30 March, they received another letter saying that their funding settlement was to be cut by £2.1 million, or on average £40,000 per school. May we have a statement about that from a Minister so that we can understand what is going on?

Ms Harman: I would have been able to give the hon. Gentleman a more substantive answer if he had let me know, even five minutes beforehand, that he was going to raise that question. I would then have been able to give him the information he requires. I am not fully across all the detail, so I cannot confirm whether that is our understanding of the situation. I shall bring the matter to the attention of my colleagues in the Department concerned.

Mr. Gordon Prentice (Pendle) (Lab): Does my Friend have any sense of when the Postal Services Bill is to come here from the Lords? May we have an early debate on the very important report from the Business and Enterprise Committee on the Postal Services Bill, which is hugely controversial on the Labour Benches?

Ms Harman: As my hon. Friend knows, the Lords set their own timetable, so it would not be proper for me to say when they will be finished with their considerations or when the Bill will come to the House. When it does, it will no doubt have full scrutiny and full debate.

Mike Penning (Hemel Hempstead) (Con): May I reiterate the calls for a debate on the Learning and Skills Council building programme—or lack of one? In Hemel Hempstead, the head of West Herts college has told me that her programme, which is part of the town centre redevelopment, is under threat. The teaching of young people is under threat because of the chaos in the funding programme. We cannot just dismiss that; we must have a debate and thrash out what the hell has gone on that is undermining the building programme in the sector.

Ms Harman: We acknowledge that there has been mismanagement, and it is disappointing for all those who have been affected by it—indeed, the chief executive of the Learning and Skills Council has resigned. However, if the policy of the hon. Gentleman's party was pursued—*[Interruption.]* I am sorry, but from my point of view those complaining about the further education colleges in their constituencies do not have a shred of credibility when their policy is to cut the programme by £600 million. I am concerned about West Herts college and I would not dream of subjecting it to the equivalent of £600 million-worth of cuts.

Albert Owen (Ynys Môn) (Lab): May we have a debate on the importance of the tourist industry to the UK economy? Visit Wales suggests that the contribution from Wales alone is in the region of £3 billion. At a time when small businesses need a stimulus, does my right hon. and learned Friend agree that we should be taking advantage of the relatively low pound to encourage visitors to come to the area? As a further stimulus, may I invite her, as Leader of the House, Members from all parts of the House and you, Mr. Speaker, to visit the jewel in the crown of the UK industry, the Isle of Anglesey, in the not-too-distant future?

Ms Harman: I visited the beautiful Isle of Anglesey in the not-too-distant past, so I know what my hon. Friend is talking about. It might be worth having a topical debate on tourism as we approach the summer. I will definitely consider that suggestion.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): In recent days, European Commission officials have been briefed by Scottish fishing leaders about the impact of the reduction in effort days at sea on this year's fishing, particularly as it affects my constituents in Berwickshire. Given the seriousness of the situation, there is now an issue about the financial sustainability of the industry, quite apart from the issue of the sustainability of fish stocks. Will the Leader of the House make urgent provision for a debate on the Floor of the House about this year's fishing arrangements, so that we can bring our concerns to the attention of the Minister concerned?

Ms Harman: I think that what the hon. Gentleman is talking about comes within the purview of the Department for Environment, Food and Rural Affairs; am I right? There were Environment, Food and Rural Affairs questions earlier this morning, so I think—*[Interruption.]* I am sorry; he had two issues to raise. I will raise the point with the Ministers concerned.

Mr. Graham Allen (Nottingham, North) (Lab): Did the Leader of the House receive a copy of the report from Parliament First, an all-party group, many of the members of which are in the Chamber? The report suggests that there is a better way of running our business in this House. We could have a business committee, to which Members from all parties would be elected. The House could create commissions of inquiry—for example, to look into the causes of war—and there should be a petitions committee, so that people in this country have a channel through which they can bring legislation before the House. Will she meet a delegation from Parliament First to discuss those issues, and the next issue in which it is interested, which is the election of members of Select Committees by Members of Parliament?

Ms Harman: I will be happy to meet my hon. Friend and those involved with Parliament First. He will know that the Procedure Committee is doing ongoing work on petitions. On people being able to bring legislation before the House, he will know that we have opened up the legislative programme process, so that people can see our intentions. That offers people the opportunity to add their proposals before we get to the Queen's Speech. We will be carrying out that process again this year. I look forward to meeting my hon. Friend and the other hon. Members involved with Parliament First.

Mr. William Cash (Stone) (Con): In the Leader of the House's reply to the shadow Leader of the House on the question of privilege, she indicated that the Attorney-General's view implied that there should be some action in the courts. Does the Leader of the House understand that the question of what constitutes privilege is a matter for the courts, but the question of whether a matter is privileged is for the Committee on Standards and Privileges? In those circumstances, will she make certain either that the Attorney-General's opinion is placed in the Library—the Attorney-General is adviser to the House of Commons and the House of Lords on these matters—or that the Attorney-General comes to the House and explains exactly what her reasoning is?

Ms Harman: The hon. Gentleman makes a good suggestion that the Attorney-General's advice be placed in the Library. She is, as he says, adviser not just to the Government, but to the House. As the Chair of the Committee on Standards and Privileges has asked for that advice, it is advice to the House. That affords us the opportunity to place it in the Library, so that all Members can see it. I think that that is a good idea.

Ms Katy Clark (North Ayrshire and Arran) (Lab): My right hon. and learned Friend will be aware of the reports of the discussions yesterday between the United States of America and Russia about their nuclear arsenals. She will also be aware that the review conference on the non-proliferation treaty is due to take place next year. Does she agree that we need to move the issue higher up the political agenda over the next year, and will she say when we might get a debate on nuclear disarmament in Government time?

Ms Harman: My hon. Friend, who has a long history of campaigning on these issues, brings an important matter to the attention of the House. Often, it is possible to lose sight of the progress that has been made in working towards non-proliferation. I will definitely take up her suggestion and consider how we can bring the matter before the House.

Sir Patrick Cormack (South Staffordshire) (Con): As the right hon. and learned Lady is the Leader of the whole House, will she recognise that there is support throughout the House for Members from the regions to meet once or twice a year as a Grand Committee to examine issues and to hold people to account, but that there is no such consensus on the Regional Select Committees? Will she not therefore move away from the current situation, in which we see the ludicrous spectacle of two or three Labour MPs purporting to be a Select Committee acting on behalf of the whole House, when they are no such thing?

Ms Harman: There would be more Members from the regions, and not just two or three Labour MPs, on the Regional Select Committees if Members from Opposition parties decided to go along to those Committees and ask questions of regional development agencies and other agencies that are important in the regions. That is a matter for them. Opposition Members cannot complain that there are too few Members on a Committee if they themselves do not turn up to it. I am sorry, but that is not a justified complaint. As far as Grand Committees are concerned, discussions are under way in respect of the different regions, and where the Committees would hold their first meeting. No doubt that information will be forthcoming.

Julie Morgan (Cardiff, North) (Lab): My right hon. and learned Friend mentioned the equality Bill, and I congratulate her on all the work that she has done in that field. Yesterday, young people from a number of voluntary groups came up from Wales to lobby Welsh MPs to extend the scope of the Bill to the under-18s, drawing to our attention groups that are particularly discriminated against, such as young fathers, young carers, and black and minority ethnic young people. What opportunity will there be to discuss those issues?

Ms Harman: Perhaps I could have a meeting with my hon. Friend, and any other hon. Members who would want to attend, about protecting young people. I know that she is a great supporter of the programme to eliminate child poverty and improve child health. There are many other initiatives across government to improve the situation of children and young people. I thank her for her support for the Bill. She will see many of the measures that she has championed over the years in the Bill when it is published.

Mr. Paul Burstow (Sutton and Cheam) (LD): On 2 March, the Learning and Skills Council notified my council, the London Borough of Sutton, that it would receive sixth-form funding of £19,161,103 for the coming academic year. Just yesterday, the LSC issued a revised figure of £18,226,694—a 5 per cent. reduction in the allocation for sixth-form education in my borough. May we have a statement or a debate, when we get back, so that we can explore how the cut can be reversed, and how the Government square it with their commitment to three-year budgets, which avoid such shocks? At the very least, will the Leader of the House let her ministerial colleagues know about the problem?

Ms Harman: I will draw the points made to the attention of my ministerial colleagues, but I think that they are scrutinising the issue in considerable detail, so I hope that they will already be aware of the matter. Despite there having been major investment, which has produced 600 projects that have gone ahead in more than 300 colleges, and which has made a massive difference, we make no bones about the fact that there has been mismanagement. That obviously needs to be looked at.

Mr. Denis MacShane (Rotherham) (Lab): My right hon. and learned Friend will be aware that one of the outcomes of the G20 is a crackdown on tax havens. However, is she also aware that the Swiss are now saying that they might change their law to bring in a British trusts system? Using that system is one of the best ways of hiding money and its source from the Inland Revenue. May we have an early debate on the secrecy of the British trusts system? Furthermore, can we change the rules of the House so that all right hon. and hon. Members have to declare any beneficiary trust from which they get money, or any trust that they may have set up?

Ms Harman: My right hon. Friend is right to draw attention to the fact that, behind the global credit crisis, lies the problem of a lack of transparency, which meant that financial things were bought and sold without those who were buying and selling them knowing what it was all based on. Lack of transparency and secrecy have led to this global problem, which Treasury Ministers, working with colleagues internationally, are determined to sort out. There will be a further statement from the Chancellor of the Exchequer at 5 o'clock.

Sir Nicholas Winterton (Macclesfield) (Con): I fully support the Leader of the House's statement that there should be cross-party discussions on Members' pay, allowances and expenses. Will that also include details that she gave in a ministerial statement on the parliamentary pension? The Government are recommending that there should be a 1.9 per cent. increase in Members' contributions

to the pension fund. That will equate to an additional £60 a month out of Members' pay. Bearing in mind that, as of the first day of this month, we have been given a salary increase of 2.33 per cent., which equates to £68 a month, is this not a most unfortunate situation? We should bear it in mind that the deficit on the pension fund is not due to Members, although it is a little bit due to longevity. It is mainly due to the fact that the Treasury, as the employer, has had a contribution holiday for 14 years.

Ms Harman: In January, the House agreed by resolution that we would keep a cap on the Exchequer contribution. Like other people in this country, Members are living longer, so the Government Actuary's Department expects an imbalance between the contributions being paid and the amount that needs to be paid out. We all agree that we must protect the Exchequer from having to take the strain of that and having to increase its contribution to our pension fund. Therefore we have either to reduce Members' benefits or increase Members' contributions.

The Government Actuary's Department report has been published by way of written ministerial statement and is available to colleagues this week. We will have a debate in the House on the matter, and there can be a resolution and a statutory instrument. We are determined that—and it is important that—we all stick with the principle that we do not allow the Exchequer contribution to rise. There are a number of ways in which we can protect the Exchequer contribution from rising and obviously we will consult hon. Members on whether they think the best course of action is to increase the contributions, or, for example, to delay the retirement age at which the pension is available. We are concerned to listen to what hon. Members say on how we should address the issue, and I am happy to discuss their proposals before we bring our proposals to the House for debate. We have to be absolutely clear: at this time, it would be quite wrong to put more money from the Exchequer into our pension fund. I do not think that we should do that.

Mr. Lindsay Hoyle (Chorley) (Lab): As my right hon. and learned Friend is aware, manufacturing is on its knees at the moment, and it needs real support. Employees are either losing their jobs or are unable to claim working tax credits because they are not putting in enough hours. Will she consider holding a debate on my early-day motion 1182?

[That this House calls on the Government to introduce subsidies to employers moving workers to short-time hours or making temporary lay-offs as a result of the economic difficulties caused by the recession; believes that such support would enable employers to avoid immediate redundancies and retain essential staff and skills, preventing unnecessary job losses; further believes that if linked to training, it would also enable longer-term workforce investment; further believes that such a measure is a quick and effective way to target support to struggling employers and providing financial support to employees during these difficult times; notes that similar subsidy packages have already been introduced in Wales, which has been welcomed by the right hon. Member for Kirkcaldy and Cowdenbeath, as well as in Germany, France, Spain, the Netherlands and Italy; welcomes the support of business organisations and trades unions; and calls on the Government to work with business representatives and trades unions to introduce a targeted subsidy package to support the sectors of the economy, such as manufacturing, that are in greatest need.]

Seventy-three Members have already signed it. It supports the short-time working subsidy that we need to bring in to protect and help manufacturing jobs in this country. It would make for a good debate, whether a topical debate or any other that she believes suitable.

Ms Harman: No doubt my hon. Friend could bring the issue to the attention of Treasury Ministers. His support for manufacturing industry in his region and the country as a whole is very much appreciated.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): The Leader of the House is well aware that the nuclear industry is incredibly important in my area. However, we have hit a problem with the building of the nuclear academy within Bridgwater college—which, I am glad to say, is a superb further education college. The problem is that the funding from the Government is being cut. We desperately need engineers and safety technicians for the future and unless we start building the hub-and-spoke system now, the necessary people will not be in place for the start of the civil nuclear building programme. It will take three to four years to train those people, and EDF wants to get its first application in by next year to start the building programme. May we please have a debate on the nuclear issue and especially on the training of the future graduates and others who will run the stations?

Ms Harman: The Government are committed to the future of the nuclear industry in this country as part of a balanced and self-sufficient energy policy. We have increased the budget—about £200 million, for example—on projects such as the nuclear development college at Workington. We are putting in a great deal of investment, and we will continue to do so.

Mr. David Chaytor (Bury, North) (Lab): If the Government have already agreed that there will be a debate on Members' pensions, does it not follow that there ought to be a debate on Members' allowances? Given the importance of the meeting between the party leaders and of the early report of the Committee on Standards in Public Life, would there not be an advantage in having a debate on allowances without there being a requirement to have a vote at that point? In that way, we could build consensus on the basic principles.

Ms Harman: We have had many hours of debate in the House on the basic principles of Members' allowances, both at the beginning of this year and, on occasions, last summer. We have to consider the balance of issues that need to be discussed in the House—the global financial situation, climate change and education for people in this country. We have committed to a debate on pensions because we need a statutory instrument to cap the Exchequer contribution to our pensions, so we will have that debate. However, we had a free-ranging, in-principle debate about Members' allowances in January. No doubt we will return to the issue once the party leaders have met and once we have the report from the Committee on Standards in Public Life. I am sorry, but I cannot agree with my hon. Friend that we need a general talk about the issue now. I do not think that it should be a priority for debate in the House now.

Alistair Burt (North-East Bedfordshire) (Con): Last month, 23 new trains were expected on the Thameslink line. In the event, only one appeared—and it had to be sent back. As the Department for Transport was responsible for the contract, may we have an urgent statement from that Department about why the train manufacturer Bombardier's long-standing problems, which have a national impact, have been allowed to go on for so long?

Ms Harman: I will bring that point to the attention of my right hon. and hon. Friends at the Department for Transport.

North Sea Helicopter Crash

2.18 pm

The Secretary of State for Scotland (Mr. Jim Murphy): With permission, Mr. Speaker, I would like to make a statement on the helicopter crash that occurred 14 miles off the coast of Crimond, Aberdeenshire, north-east of Peterhead just before 14.00 yesterday. A Eurocopter Super Puma, operated by Bond Helicopters on a charter for BP, crashed in the North sea approximately 14 miles off Rattray Head, which is 38 miles north-east of Aberdeen. The helicopter was returning from BP's Miller oil field platform, 35 miles north-east of Aberdeen. On board were a flight crew of two pilots and 14 passengers. All were wearing survival suits.

The Aberdeen coastguard was informed of a ditched helicopter at just before 14.00, and two life rafts were spotted in the water. Two helicopters from the RAF bases at Lossiemouth and Boulmer were scrambled to the scene alongside a Nimrod maritime patrol aircraft from RAF Kinloss. RNLI lifeboats from Peterhead and Fraserburgh were launched to join the search. Eleven other vessels also responded to the mayday signal from the coastguard, and one vessel was on scene within minutes of the alert. The Maritime and Coastguard Agency has been co-ordinating the extensive search and rescue operation.

Tragically, the bodies of eight people from the helicopter have been recovered and are now with the Grampian police to undergo identification procedures, and the remaining eight are currently unaccounted for. Search operations by dedicated rescue units were suspended at around 23:00 last night to rest crews and for refuelling, although other vessels in the vicinity continued to search the area. Dedicated units resumed their recovery efforts at first light this morning. Those who have died or are missing have not yet been named, while police work to contact their relatives. BP has set up an emergency contact line for concerned relatives, friends and colleagues.

Members on both sides of the House will rightly wish to express our collective sympathy and our individual prayers for those who have lost friends and family in the crash. As the Prime Minister said yesterday, this was a tragic day in the North sea. We all stand today in solidarity and mourning. This tragedy reminds us that despite the North sea's remarkable improvements in safety, it can be one of the harshest environments on earth. Every day, brave men and women work there to bring us the oil and gas our country needs.

I would like to praise the work of the MCA, the Royal Air Force, the RNLI and other vessels who responded so quickly to the distress call; and of the Grampian police, who are co-ordinating the investigation into the crash. They have all worked together to respond with well-prepared contingency plans in very difficult circumstances. I have also spoken to Scotland's First Minister, who is making a statement in the Scottish Parliament today.

The air accidents investigation branch is conducting a full investigation into the circumstances of the event, and a team of 14 air accidents investigation branch staff have been deployed to Aberdeen, including experts in helicopter operations, engineering, flight recorder replay and data analysis. The work to identify the causes of the

accident began this morning, but what appears clear is that there was a catastrophic impact as the helicopter crashed into the sea.

Hon. Members will be aware that there was another accident on 18 February 2009 involving a Eurocopter EC225 LP Super Puma manufactured in 2008. It occurred when the helicopter was approaching an offshore platform to land, descending at night with fog and low cloud in the vicinity. The aircraft landed heavily on the surface of the sea. Thankfully, in that case there was no loss of life. The initial investigation by the air accidents investigation branch has revealed no evidence of pre-impact malfunction of any major mechanical components in that incident.

Yesterday's crash involved a Eurocopter AS332L2 Super Puma manufactured in 2004. It occurred when the helicopter was in cruising flight, in daylight with benign weather conditions, when the crew broadcast a short mayday call without identifying the nature of the emergency. The helicopter was seen to descend rapidly to the surface of the sea. Consequently, given the evidence to date, there are no indications of any causal links relating the two events.

I know that the House will understand that the air accidents investigation branch report on yesterday's tragedy will take some time to prepare. Once complete, the report will be presented to the Secretary of State for Transport. However, as the inquiry progresses, factual information will be released and any safety action recommended as appropriate. We will consider the findings of the investigation carefully and take the necessary action to protect safety levels in the North sea.

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I apologise to the House for not being present for the start of the Secretary of State's statement, and thank him for an advance copy. I also thank him for coming to the House to make the statement, although sadly in relation to such a tragic loss of life. I, and Members on both sides of the House, echo his sentiments and thoughts for the families and friends of all those who have lost their lives, and for all those who continue to work on the North sea.

The whole nation will share the Secretary of State's gratitude to the personnel of the Maritime and Coastguard Agency, the RNLI, the Royal Air Force and the commercial and marine organisations that have given their help to the search and rescue effort. The crew of the Caledonian Victory support ship performed a particularly heroic duty in being first on the scene. The failure to locate any survivors must have been very traumatic for all those involved.

This incident reinforces to all of us just how dangerous and uncompromising a working environment the North sea is. When we make use of the oil or gas that it produces, or indeed the revenues that it generates, we must always be grateful to the dedicated people who work there. I am sure that the Secretary of State will agree that the health and safety of those workers must always be our priority. May I therefore ask him what he expects the timetable to be for investigating the aircraft wreckage and establishing the cause of the crash? Will he give his personal undertaking to work with colleagues across the UK Government to do everything possible to expedite a preliminary report from the air accidents investigation branch and the Civil Aviation Authority into what caused the catastrophic failure that resulted in such a loss of life?

Does the Secretary of State agree with me about the importance of not substituting speculation for a technical inquiry and of distinguishing the cause of individual incidents? Does he agree that in the light of three major incidents—two in Scotland and one in Canada—within a relatively short period, a wider review of practices in relation to the use of helicopters in oil and gas exploration may be necessary fully to restore the confidence of those who have to use them?

Is the Secretary of State aware of an issue that has been raised in the media about the decision of BP to remove beacons from individual lifejackets following a previous incident? Will he ensure that that is fully investigated so that it can be fully demonstrated whether this decision played any part in the time scale in locating those on board after the crash?

Will the Secretary of State take this opportunity to discuss with colleagues in the Department for Transport the Conservative proposal to review the MCA staff's terms and conditions in relation to other emergency services? This sort of incident demonstrates the legitimacy of their claim to be part of our emergency services.

Finally, will the Secretary of State confirm that he will work as closely as possible with the First Minister and the Scottish Government on all aspects of the aftermath of this incident that fall within the devolved responsibilities?

Mr. Murphy: Those who are so tragically affected by these events will welcome the hon. Gentleman's comments of solidarity, support, sympathy and prayer. That is rightly reflected across the entire House. He asked a number of specific questions, to which I will briefly respond in turn. I am happy to talk to him on any occasion about the matters that he raised.

The rescuers were on the scene within 12 minutes, and it is my understanding that when they arrived there were two life rafts there, both overturned, and the rescuers sought to see whether there was any sign of life on or near those life rafts. Tragically, there was not; they were both overturned with no sign of life.

On the hon. Gentleman's point about the removal of personal beacons, without going into all the details—of course, this is for the inquiry to look into—I understand that as a consequence of the findings after the previous incident, it was decided to remove the individual wristwatch beacons because of the important way in which the different beacons on life rafts, aircraft and individuals co-ordinate with one another. These beacons do not work when submerged in water, so those wearing them could not have been more easily tracked. In this instance, the issue of beacons has not been as significant as it may have been in other incidents or tragedies, because there was a very early sighting of the incident from close nearby, and so there was no need for a wide-ranging search, as there was an immediate pinpoint search.

On the hon. Gentleman's specific points, I agree about the need for facts rather than speculation, and it is important to reflect on the tragedy in Canada, which involved a different type of aircraft—a Sikorsky. It is important for us not to conflate all these incidents; it is for inquiries and the experts in the field to reflect on these matters. Yesterday's tragedy involved an earlier version of the Puma than the one involved in the incident seven weeks ago, so there is no causal link between those three incidents at this moment—as I said, the aircraft involved was a different one altogether.

[Mr. Jim Murphy]

On the time line, I agree that it is important to make progress as quickly as possible on the inquiry into what happened, which is why 14 staff are on the scene today, carrying out that work. We will release information, if necessary, as the inquiry is undertaken so that we do not wait until the end of the inquiry to take any necessary urgent action. We will act urgently, if necessary and whenever necessary, as part of this inquiry. It is important that we maintain confidence in the North sea and that the brave men and women boarding aircraft this very day have confidence that the authorities, the Government, the industry and everyone involved is doing everything possible to learn immediate and early lessons from this terrible human tragedy.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May I, too, thank the Secretary of State for advance notice of his statement today, and may I associate my right hon. and hon. Friends with his expressions of condolence and sympathy to the families of the deceased? This is not just a collective tragedy, but a tragedy for 16 individual families, and we must never allow ourselves to forget that.

For almost 40 years, the offshore oil and gas industry has been at the heart of commercial and industrial life in Scotland, especially in the north-east of Scotland, around Aberdeenshire. Many communities have been transformed by its impact, but, sadly, many have also been touched by tragedy over the years. This is not the first such incident that we have known, and it is appropriate that we remember today previous incidents, such as Brent Spar, Cormorant Alpha and the Chinook helicopter crash, which is still remembered in Shetland in my constituency. We in this place often comment on the great rewards of the oil industry: yesterday is a tragic reminder of the risks that are also associated with it.

We are fortunate, if I may say so, in having a vast body of experience in the air accidents investigation branch, which is widely recognised not just in this country, but throughout the world. I am told that Bond has grounded its Super Pumas today. It is, however, important that we have the earliest possible practical decision from the Civil Aviation Authority whether that grounding should be of a more general application. The Super Puma has a good safety record in the industry, but with two incidents having taken place in such close compass, it is important that an early move should be made to ensure that those working in the industry can have every possible confidence in its continued suitability. Can the Secretary of State assure me that there will be the fullest and most open communication possible between workers in the industry, through the companies that employ them and the unions that represent them, and the various agencies charged with the investigation of this tragedy?

May I associate myself and my party colleagues with the appropriate expressions of thanks that the Secretary of State has made to the Maritime and Coastguard Agency, the RNLI, the RAF and the officers of Grampian police, who have executed an immensely valuable and professional service? The House might reflect, however, that the coastguards praised for their skill and professionalism today are the same coastguards who had a pay settlement imposed on them last year in order to avoid their lower grades falling below the level of the minimum wage. The contribution of coastguards and the other emergency services should not be forgotten on occasions such as these.

There will be an ongoing investigation that will involve agencies reporting to the Governments here and in Edinburgh. Whatever differences may exist between this Government and the Office of the First Minister in Scotland, there is surely nothing to be gained by anything other than the fullest co-operation between them.

Mr. Murphy: I am glad that the hon. Gentleman rightly and appropriately added his poignant words of sympathy and support to the families and his recognition of those most closely involved who, at this moment, continue to work in the North sea. It is tragic to reflect on the fact that what began as a search and rescue operation seems, with each passing moment, more like a recovery operation. Of course, it is for those on the scene to make that decision.

The hon. Gentleman asked about the speed with which an inquiry can be undertaken. It is important to reflect that once the voice and data recorders are brought to the surface, it is estimated that it will take about 24 hours—if they are in good condition—to translate and analyse all the information held there. That will be an important first indicator of what went so tragically wrong.

On the points the hon. Gentleman made about open communications, it is right for the UK Government and the Scottish Government to co-operate very closely, which is why I spoke to the First Minister yesterday evening, and again today. I have spoken to the Secretary of State for Transport and the Secretary of State for Energy and Climate Change as well. Such co-operation is essential at this tragic time, and it is important to talk to others, which is why we keep in close contact with the trade unions and the chaplain to the North sea oil and gas industry, who is providing important spiritual leadership to all those affected. I offer to keep the hon. Gentleman, too, up to date with any details as the investigation is carried out.

Mr. Frank Doran (Aberdeen, North) (Lab): I thank my right hon. Friend for his statement and I add my condolences to the families and relatives of those who have lost their lives. I now know that eight of the dead come from the city of Aberdeen, part of which I am proud to represent. My grateful thanks are also due to the rescue services that attend these incidents, often at great risk to their members. We have a lot of experience of the risks and deaths that accompany the benefits of being the European energy capital—far too much experience.

This is the second largest death toll in a helicopter tragedy in the North sea. Over the 41 years of the industry there have been 191 deaths of passengers and crew across the European oil and gas industry in the North sea, and of those 125 were in the UK sector. By world standards, taking into account the hostile regime of the North sea and the number of miles flown each year, that is not a bad record, but does my right hon. Friend agree that it is still far too many deaths? We will learn and apply the lessons when all of the facts are known, but for the time being, we should grieve with the families.

Mr. Murphy: My hon. Friend speaks with great emotion about the fact that a large number of those who have lost their lives are from his great city, and it may be helpful to let the House know, without naming any of the individuals, that the indications are that eight of those on board were from Aberdeenshire, four were from elsewhere in Scotland, three were from England and Wales and one was from outside the United Kingdom. He is correct to say that we have to maintain the highest possible safety standards in the North sea, today and every day in the future. This is another tragedy, and it is a tragedy too many. As we look ahead to the future of the oil and gas industry in the North sea, when the search for new fields will take us into areas of increasingly inhospitable terrain, it is important to reflect on the fact that the safety challenge will become even more acute as the industry continues to change. I know that my hon. Friend and his colleagues of all parties in Aberdeenshire will play an important role in trying to maintain that strong record of safety and in ensuring that the inquiry is full and reaches firm conclusions that mean that safety is of paramount importance in the industry.

Malcolm Bruce (Gordon) (LD): Thousands of my constituents work in the offshore oil and gas industry and I am sure that many will be shocked and dismayed by the tragedy this morning. BP's North sea headquarters and Bond's operations are based in my constituency and I have spoken to both companies this morning. The House will understand that they are deeply shocked at what has happened.

I have also spoken to Grampian police, who are co-ordinating the rescue and the recovery. It is important the people understand that hundreds, if not thousands, of people are waiting to come home from offshore or go back again, and will face that journey with considerable apprehension in the circumstances, as will their families.

We know that 10 of the missing or killed were from KCA Deutag Drilling, one from PSN and two from Bond. It is important to extend our sympathy to the companies and their associates because I know that they will all be in deep shock.

Given the position that people face, I hope that the Secretary of State understands that we need the earliest possible reassurance, and to know how, on a fine day, a helicopter only minutes from Aberdeen airport had such a catastrophic failure that there was an impact that no one appears to have survived. We understand the professionalism of the AAIB. I am sure that it appreciates that we must get to the bottom of the incident as soon as possible and reassure people. Everybody depends on the workhorse of the North sea, but the House must understand that people will not feel comfortable flying in helicopters today or for the next few days until they know.

Mr. Murphy: The right hon. Gentleman makes an important point, based on his many years of interest in and championing of the North sea oil and gas industry. He rightly spoke to people at the scene this morning. I spoke to Dave King, chief inspector of the air accidents investigation branch, earlier today. We discussed in some detail the need for quick action at the scene, but also the need to ensure that it is the right action. I am sure that the right hon. Gentleman agrees.

The right hon. Gentleman is right to say that hundreds of men and women are waiting to travel to oil platforms or to come home from them. I think that 1.6 million people in the oil and gas industry travel on aircraft over the North sea every year. There are families today who have lost someone very near and dear to them—I cannot comprehend their loss. I grew up with the North sea oil and gas industry in my family because my father worked on the rigs for many years, but I have no sense of the scale of the loss that those people are going through. However, I have some understanding of the scale of the uncertainty that others now feel. It is important that we do all we can to maintain the confidence of all those in the wider North sea oil and gas community.

Des Browne (Kilmarnock and Loudoun) (Lab): I thank my right hon. Friend for the statement and apologise for not having been in my place to hear the beginning. I have had the advantage of reading a paper copy in the past few minutes.

I thank my right hon. Friend for the opportunity to mark in the House the significance of yesterday's events. It is an awful tragedy. Mere words are never adequate in such circumstances to express what people feel, but they are all that we have, and I know that my constituents in Kilmarnock and Loudoun would want to be associated with the words of condolence that have been expressed in the House and beyond.

Hardly anybody in Scotland does not know, or know of, someone who has worked in the North sea. There will not be a family in Scotland who is not touched by the terrible events that unfolded yesterday. Consequently, there will be significant anxiety throughout Scotland—I know that from the calls that I have fielded in the west of Scotland from some of my constituents overnight and this morning—for those, to whom we have already referred, who face the journeys and take the risks daily.

I know from the recent past the risks of regular helicopter flight, and its security in difficult circumstances. Will my right hon. Friend expand on the words in his statement about the industry's safety record, with reference to the statistics that have already been mentioned on the comparative safety of such travel in the North sea? What steps are being taken immediately to reassure people who are anxious about friends or relatives who will have to travel that that risky business—it will continue to be risky—is as safe as possible while the exhaustive investigations take place?

Mr. Murphy: I thank my right hon. Friend for his comments. For many years, he has championed the cause and the case of the North sea oil and gas industry. He is right about the anxiety that is felt in many households throughout Scotland. It is also important to reflect again that some of those on board the aircraft are from other parts of the United Kingdom. I know that my right hon. Friend shares the sense that the tragedy is felt in the four nations of the United Kingdom, but, of course, most acutely in Aberdeenshire.

Remarkable improvements in safety have taken place in the North sea oil and gas industry in recent decades. That is the view of the Government and the industry, but also—perhaps most important—of the trade unions involved in the industry, which have taken the opportunity today to acknowledge the genuine improvements in recent years. However, whatever the lessons that emerge from the inquiry, we will have to act—that is why it is important that the inquiry take place as quickly as it is. We are working with business, the industry, trade unions

[Mr. Jim Murphy]

and others to continue to reassure people and families that everything that can be done is being done to maintain unprecedented levels of general safety in the North sea. Despite that, we have witnessed a dreadful tragedy in the past 24 hours.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I thank the Secretary of State for giving the House the opportunity to express our sympathy and condolences to the families and friends of the victims of the tragedy, and to offer reassurance to the wider community, which, as he understands, will be greatly concerned about families and friends who travel offshore.

I want to reinforce the importance of producing any interim findings as speedily as possible and ensuring that the AAIB has all the resources it needs, especially those for investigating under the water to recover vital evidence of exactly what happened, so that early reassurance can be given and lessons can be learned quickly.

Mr. Murphy: I know that the hon. Gentleman rightly takes a keen and close interest in the industry and in safety. I remember being in the north-east of Scotland with him as we sought to travel to one of the oil platforms some years ago. I know how closely he follows such matters.

Resources will not be a problem. We will put at the disposal of the investigators whatever resources they require to ensure that they get to the truth as quickly as possible.

On interim recommendations, as information comes to light as part of the inquiry, we will respond and act if necessary. It is important to make that clear. We need to understand fully what caused this drastic human tragedy and respond by ensuring that the highest possible safety levels are restored in the North sea.

Ms Katy Clark (North Ayrshire and Arran) (Lab): I thank the Secretary of State for the statement and associate myself with the condolences expressed. Our hearts go out to all those who are directly affected.

My right hon. Friend knows that some calls have been made today to ground the specific model involved in the incident until it is clear exactly what went wrong. He has confirmed that a different model was involved in the incident six weeks ago. I understand that the National Union of Rail, Maritime and Transport Workers, which represents many offshore workers, is among those making the calls. What consideration has been given to those requests, given the severity of yesterday's incident?

Mr. Murphy: My hon. Friend makes an important point. I spoke to trade unions about the matter earlier today. Of course, the model is different from the aircraft involved in the incident on 18 February and entirely different from that in the tragedy in Canada. However, if the voice and data recorders are recovered and the information gathered from them means that we have to take quicker action, that will be a matter for the relevant authorities. However, based on their record and how they carry out inquiries, I am certain that if information comes to light from the recovery of the voice or data recorders that shows that more prompt action is necessary, it will be taken. However, at the moment, that is not a conclusion that we wish to leap to. We want our response to be based on the facts, and early conclusions to be based on recovering all the data that we can.

Sir Menzies Campbell (North-East Fife) (LD): May I add my sympathy and condolences to those who have been affected by this most tragic accident? We are fortunate in this country with the quality of investigation into such incidents. The air accidents investigation branch has an outstanding reputation. I appreciate that the matter will be one for the Crown Office in due course, but may I take it that the Secretary of State will not close his mind to the possibility that a fatal accident inquiry may be required to deal with wider issues that go beyond the immediate remit of the AAIB?

Mr. Murphy: The right hon. and learned Gentleman raises an important point. It is too soon to close our minds to any course of action, but that matter is of course for the Crown Office, rather than for me at the Dispatch Box today. He rightly raises the wider point about the remarkable expertise that exists in our air accidents investigation branch and in David King and the team that he has assembled. I have genuine confidence that they will work tirelessly over the next few hours—and if necessary, through the night—to get to a conclusion about just what happened. What is remarkable at this early stage is the horrific, catastrophic way in which the incident happened, with no early warning—there was a brief mayday from onboard the aircraft—and with no early indication of exactly what caused it. Because of the way the incident occurred, it is essential that we come to some conclusions as quickly as possible.

Mr. Jim Devine (Livingston) (Lab): I, too, congratulate my right hon. Friend on coming to the House with his statement and on the way he has conducted himself at the Dispatch Box with openness and honesty. He is clearly as affected by what has happened as we all are—and, no doubt, as the whole of Scotland and the rest of the UK are. Reference has been made to the role of the trade unions. There is expertise in the trade union movement on health and safety issues, so I wonder whether he has given any consideration to finding a seat at the table of the investigation for a trade union representative.

Mr. Murphy: My hon. Friend rightly has good and close relations with trade unions in Scotland and across the UK. I spoke to Jake Molloy of the Offshore Industry Liaison Committee earlier today. It is important that we continue to keep trade unions involved. However, it is not for me to announce today how we do that. We have the right procedures in place for an investigation, but it is essential that we involve trade unions and workers directly in sharing the early conclusions and in learning the long-term lessons from the dreadful human tragedy that has taken place.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I thank the Secretary of State for ensuring that we in the Scottish National party also had an advance copy of the statement. It is greatly appreciated. It is with great sadness that those in all parts of the House have today spoken of the loss of the Bond Super Puma helicopter. When the First Minister was in Aberdeen with the Cabinet Secretary for Justice last night, he described

what happened as one of the worst helicopter accidents in the North sea in terms of fatalities. Our prayers, condolences and thoughts go out to those affected and to their families. Today a book of condolence has been opened at the Kirk of St. Nicholas in Aberdeen.

Yesterday, when most of us were watching the G20 summit in London, the news of the helicopter crash came through, which to many of us was a source of great angst. As has been said in all parts of the House, many of us will know people who work in the North sea. In my weekly travels, I seldom travel to or from the Hebrides without somebody who is going to or from the North sea travelling with me. People come from all over the country and from Europe, as the sad news from Grampian police confirms.

We are reminded of the great efforts of the emergency and rescue services in responding quickly and, as always, professionally, but this time sadly to no avail. The helicopter went down near the supply boat Normand Aurora. Almost immediately, other vessels were steaming to the location, as well as two Royal National Lifeboats Institution boats, from Fraserburgh and Peterhead, two helicopters and a Nimrod.

Super Pumas are the workhorses of personnel movement in the North sea and they have a good safety record, but now there are many concerns about them. A thorough inquiry is of course needed and interim recommendations would be welcomed, especially by those who travel. I wonder whether the Secretary of State could give us any idea of when early recommendations might appear, for the peace of mind of all our constituents who travel in the North sea.

Mr. Murphy: The hon. Gentleman raises an important point about how quickly we can come to any interim recommendations. I cannot announce that today because, as we have discussed, an element of the rescue operation is still ongoing, as is a large component of the recovery operation. Some vehicles will be being used to get close to the remains of the helicopter and to continue the search for the bodies of those who are still missing. As I mentioned earlier, if the voice and data recorders are in good enough condition, we anticipate that it will take perhaps one day to decipher, as far as we can, what happened inside the cockpit and the aircraft more generally before it came to a catastrophic end. As I have said, there was a brief mayday from onboard. Once all that work is concluded, we will be in a better position to understand the time line.

Finally, it is important to record the fact that the chaplain and those who lead the community in prayer have opened a book of condolence in the oil chapel in Union street in Aberdeen for local people to sign. For those of us who have faith, those who have lost their lives and their families were in our prayers last evening, and they will be in our prayers today as well.

Mr. Peter Bone (Wellingborough) (Con): I thank the Secretary of State for the way in which he has made today's very sad statement and for his full explanation. When the banner came across the screen on Sky News last night saying that the helicopter had gone down, I reflected that, being a parent of an RAF helicopter pilot, I would know that my son was safe if a similar banner went up, because the families are notified before the story goes on the news. That banner must have caused thousands of families across the nation great concern. I wonder whether anything can be done to ensure that in future the next of kin are told before the news becomes fully available in the media.

Mr. Murphy: That is an important point. No one in the media should take what I am about to say as a criticism, but the hon. Gentleman's point reflects the nature of modern communications, with text messaging and access to the internet. The wonder that is modern communication also causes the difficulty that, as it were, uncertainties are communicated to others. I was contacted by friends last evening about their loved ones who are working in the North sea. However, it is important to say again that we are making no announcement about the names of those who are dead or missing until their next of kin have been notified.

Dr. Julian Lewis (New Forest, East) (Con): I am sure that the whole House is grateful to the Secretary of State for sharing with us so fully such information as he has. Can he tell us whether his preliminary talks with the recovery services, as well as focusing on their hope to regain the data buoys, and the voice recorder in particular, have indicated whether there is any prospect of recovering any substantial part of the crashed helicopter? That would be of crucial significance in establishing what went wrong.

Mr. Murphy: The hon. Gentleman is right. What happened last evening and this morning was that parts of the debris of the craft were recovered and, more importantly, the bodies of those who have been confirmed dead were recovered. Work is ongoing at this very moment to discover the precise locations of the different parts of the aircraft and the eight who are still missing. The technology involved in the North sea industry is so remarkable that we can have a degree of confidence that we will quickly be able to track the precise location of the remaining parts of the helicopter, as well as great and continuing hope and determination to track and find the remains of the eight who are still missing.

Easter Adjournment

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Blizzard.)*

12.59 pm

David Wright (Telford) (Lab): I should like to pass on the condolences of the people of Telford to the people who have been involved in the terrible disaster in the North sea. Our thoughts are very much with them today.

I should also like to say something about a personal friend of mine who, sadly, was killed in Afghanistan in December—Royal Marine Damian Davies. My thoughts are still with his family. He was a friend of mine, and I have not yet had a chance to raise this matter in a general debate. I want to pay tribute to all those in our armed services who are serving us so proudly around the world.

The House needs to hear about three issues before the Easter Adjournment, the first of which is the need to establish a post bank across the United Kingdom. We have an opportunity to set up a new banking model for the people of this country, based on the post office network. I want us to build up a trusted financial institution that is not based on shareholder value or on a target-driven bonus culture for management. We need to take the opportunity of the current financial crisis radically to redesign the banking system. I am sure that the Chancellor will want to say more about that in his statement this afternoon. At present, the top four commercial banks hold 76 per cent. of all current accounts in the UK, and surveys suggest that since the commercial banks have been bailed out and supported by the Government, consumer confidence in the private banking sector has reached an all-time low. It is clear that we need to rebuild confidence in the banking sector—that is partly what the G20 summit is about—but I think that we can do more by setting up a post bank.

Post offices would act as banks, providing a current account, a cheque book, a cash card and possibly a credit card, under the auspices of a new agency called post bank. In other European countries, such as France, Italy and Germany, it has proved to be profitable, equitable and popular. The scheme would strengthen the post office network by building up its business so that local economies—the drivers of prosperity—were enabled to grow through locally based services. Post offices would provide banking services, good quality local advice and financial help.

I believe that there is support for this proposal across the House. It is an idea whose time has come. There are 3 million people in this country without bank accounts, and a post bank model would help to make banking services available throughout the UK. It would be a trustworthy brand on which people could rely. The Government would initially need to finance the set-up of the post bank as a social enterprise until it became self-funding; any profits would be reinvested into the bank's own operations, and moneys could be provided for community-based projects.

In the Telford area, we could get the Fairshare credit union to work with the post bank to offer low-cost loans through the post office network. We could partner such financial organisations with the post bank, and the credit union would immediately have a new set of outlets through which it could operate. Importantly, the post bank model would ensure that post office business was protected and that the sustainability of our remaining post offices was underpinned. The Government have put an enormous amount of money into sustaining the network, and they now need to put new business into it.

This proposal would enable us to protect our remaining post offices in Telford and across the country. It is a practical step that is backed by the trade unions, the Federation of Small Businesses, public research bodies and the National Pensioners Convention. As of yesterday, early-day motion 1082 carried 139 signatures, including my own—I am proud to have signed it. The post bank is a great idea, and I think that the Government need to move quickly on it. I would certainly be in the queue to open an account myself, if we could get the project off the ground. I do not know whether that means that I have to declare an interest—perhaps it does. I would certainly be in that queue.

The second issue that I want the House to think about before we go into the Easter recess is the need to create and support vibrant local shopping centres. There are a number of borough towns in my constituency that need regeneration and support in these difficult times, one of which is Madeley, and I am glad to say—although some people will be shocked by this—that Tesco is doing a great job there. It is building a new store in the high street and redesigning the high street, along with other private sector partners. We have encouraged Tesco to put in a local store and to provide new shops. Ironically, we are going back to the pre-new town high street pattern in Madeley. We built a new centre—a concrete structure—that proved to be unpopular and, after 30-odd years, we are demolishing it and putting back the old high street. I very much welcome that, and I welcome the role that Tesco is playing in that scheme.

Other local centres across Telford that need help include Dawley. It has suffered significantly from its close proximity to Telford shopping centre. We need to improve the street scene there, and we need to bring in more shops and residential units. In my view, the council should be looking at relocating some of its back-room staff to Dawley as part of the Paddock Mound development process. At the moment, the Dawley regeneration plans envisage the creation of a large amount of residential space in the Paddock Mound area, with some of the cash involved being invested to cross-subsidise the high street. We all know that the residential market is slow at the moment, and my worry is that that plan will delay the regeneration of Dawley. However, the council could step in and consider locating its back-room staff in that proposed residential area, which would bring cross-subsidy investment into the high street.

Another town in my community that needs investment is Oakengates. I am extremely concerned about the lack of commitment to Oakengates from the local authority. We need to save the old Walker Tech building—a stunning building in the town—as well as tackling the poor environment and the dangerous parking problems in Oxford street and Market street. So far, the council has offered peanuts to the people of Oakengates, and they deserve better.

A general theme that needs to be pursued across Telford is the introduction of street drinking bans. One thing that really deters people from going into local centres is the sight of groups of people—of all ages, it

must be said—drinking alcohol at all times of the day. It puts people off and is particularly intimidating for older people who want to use the local facilities. Street drinking bans send out a clear message to the public that they should not consume alcohol in local centres as it creates an antisocial environment. Again, we need to move quickly. The council is going to consult on bringing in a street drinking ban in Dawley, after the major exercise that I carried out in which I received more than 1,000 responses from local residents. It is important that the council moves quickly, and that the ban in Dawley is seen as a pilot for other areas in Telford, such as Oakengates and Madeley, as well as local centres such as Brookside, Sutton Hill and Woodside, which could also benefit from having designated areas in their local centres where street drinking was banned.

Alongside the regeneration of those local centres, we also need to transform Telford town centre. I am extremely concerned about recent developments relating to the town centre. It was created to serve the new town and it has expanded over the years in a rather haphazard way, with new shopping arcades and other facilities being added on in a fairly piecemeal fashion. What is needed now is an overarching strategy to create a new, vibrant centre offering retail, entertainment and new housing. The strategy needs to involve all the partners in the town centre and to be led by the council, which is the strategic player.

Unfortunately, it seems that the council and the owners of the shopping centre, Hark Apollo, are not communicating. This has been made worse by the decision of the council effectively to rewrite the strategy for the centre by selling its civic offices to Asda, thereby drawing an anchor retailer out of the main shopping centre. I welcome the fact that Asda is committed to Telford, as it brings jobs to the area and retains jobs within it. However, the move by the council to lure it from the shopping centre is a serious concern. Hark Apollo has made it clear that this is a major threat to its shopping centre and that there has been a major breakdown of communication between it and the council.

I want to see a comprehensive redevelopment of the town centre with design continuity right across the scheme. This is a once-in-a-lifetime chance to get this right and the council should be co-ordinating the process, not creating a climate of crisis and recrimination. This project is vital for the regeneration of the borough and I will do anything I can to bring the parties together to talk. We should not be in this potentially disastrous position in any case. My message to the council is, "Get your act together. I will work with you and help you." My message to Hark Apollo is also fairly blunt: "You need to review your parking charges, as this is one of the reasons Asda is considering moving out of the town centre". I want the partners to come together; I believe in a strong partnership between the public and private sector. I believe that if we all work together, we can get this right and transform the centre of Telford.

The final issue I want to address is the review of health services in Shropshire and Telford and Wrekin. I have to say that I am sick and tired of continual reviews of our local health services. We seem to have the same discussions year in, year out—and it must be costing a fortune. In the seven years I have been an MP—*[Interruption.]* Eight years, but in all those years, we seem to have been having the same conversation about health services in our county. It is not necessarily to do with the Darzi review or the latest trend in Government policy; we just seem to have a constant debate going on among health services managers about the structure of services.

The clinical leaders forum in our area is leading the current review process and it has come up with proposals relating to acute hospital services. In simple terms, local health bosses seem to want to do two things. First, they want to keep children's assessment units at both the Princess Royal hospital in Telford and Wrekin and the Royal Shrewsbury hospital, but they want to put in-patient children's services on one site. That, they say, is the safest option. They also want to develop a children's care service at home.

Secondly, the bosses want to retain A and E service on both sites, but with one dealing with the most seriously injured and ill—those involved in multiple trauma road accidents, for example. Level 1 A and E would be provided as it is now at regional centres; level 2 A and E would be on one of the sites in either Telford or Shrewsbury; and level 3 A and E would be on the other site. At present, no decision has been made about which site should have which services. The clinical leaders forum has produced a long list of four clinical options for sustainable acute services. More work is being done now as part of the consultation process. The concept of a new hospital has now emerged, located between Telford and Shrewsbury, so that it could provide all the acute services to the county.

I have to say that this process has now become an over-complicated shambles. The public have no faith in the process and the recent interventions by the National Clinical Advisory Team have made the situation worse. Health bosses should go right back, in my view, to the drawing board—or perhaps they should take the drawing board away and leave us all alone. We should be designing health services for the people of Shropshire and Telford and Wrekin—not, I add, for mid-Wales, with apologies to colleagues from mid-Wales—and it is about time health managers got out from behind their desks in Shrewsbury and took a long look at the health needs of my constituents in Telford. A&E services in our county are often stretched to capacity at the moment between the two hospitals and many people still have to wait a long time to be seen.

The history of hospital services in Shropshire includes a long struggle to get the status of Telford new town recognised as it grew from the 1960s onwards. Telford is the largest population centre in the county and it is a growing town. By 2026, at least 26,500 new homes will have been built in the borough of Telford and Wrekin, and the current planning review suggests that figure could expand to more than 30,000. Telford could easily grow to become a town of more than 200,000 people in the next two decades, and we need hospital services to reflect that.

We have high levels of deprivation—worse than anywhere else in the county—and other social indicators show very clearly that hospital services need to be focused on Telford. Anyone can see the logic of structuring services around Telford. Services should not be based on how the county looked 50 years ago or even 10 years ago; they should be based on how it looks now and how it is going to look. On that note, Mr. Deputy Speaker, may I wish you a happy Easter?

1.15 pm

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I thank the hon. Member for Telford (David Wright) for expressing sympathy for the victims of the helicopter tragedy and for his support for the post bank—a timely idea taking forward many of our concerns about the Post Office, and an issue to which I shall return.

We finally debated the economy in Government time on Tuesday. In that debate, I raised issues connected with the oil and gas industry. Later today, we are having a statement about the G20, which will obviously be about the global impact of the world economy and any global action that can be taken to restore confidence in the economic situation. During the statement, we will have a chance to discover what has come from that G20 meeting. Although the crisis is global and there are definitely global aspects to the economic crisis we face, there is no doubt that there are also local and national aspects to it. The Government had a role in getting us into the crisis and they will have a role in how we come out of it.

On the banking system, we need to learn lessons and understand why the Canadian banks have not gone through the same crisis as UK banks. We must ensure that Government action restores the UK banking system. There is real frustration among the majority of constituents of the majority of Members that so much taxpayers' money is being poured in at the top, without them necessarily seeing any outcome at the bottom. If we speak to local businesses trying to secure the cash flow they need from the banks to keep going, we find that they are very frustrated. They are frustrated that the announcement of so many Government schemes is not necessarily followed by delivery and they are frustrated in terms of communication in that the banks do not seem to be aware of what schemes are available to assist in supporting business. We need to see a real measure of impact from all this intervention so that banks finally get liquidity flowing in the economy again. If small businesses are unable to borrow, they cannot keep the business turning over to get them through the slump and out the other side.

One victim of the response that has had to be made to the crisis is people with savings, particularly pensioners who have been hit hard. To get cash flow going, interest rates have been slashed to near zero. That provides more liquidity for people with mortgages and other borrowings and reduces the burden on business, which is to be welcomed, but it also has a negative impact on savings and particularly on pensioners who rely on them.

One action the Government could take—and take quickly—to restore a sense of justice on this issue would be to look at the assumed income pensioners and others on benefits could make from their savings. To assume that they can get 10 per cent. on their savings when the Bank has cut the rate to 0.5 per cent. is simply not natural justice and it flies in the face of reality. In the long run, while we want people to spend where they can in the economy, we also need to keep a savings culture in the long term. If we are to penalise people for putting money aside for their old age by assuming that absurd returns can be achieved, we are going to damage that savings culture in the future.

Another aspect of restoring confidence would be to embrace the post bank proposal quickly and efficiently and to roll it out. Many pensioners and people with small savings want real confidence that there is a traditional banking model available where people lend money to the banks, the money accumulates and real savings follow. People do not want fancy financial models that put at risk both savers and borrowers. The post bank could be a great way of restoring confidence in basic banking, and could provide new outlets for the Post Office. As the hon. Member for Telford pointed out, considerable effort has been put into saving, or at least reducing the damage to, the post office network, and the Government have invested a great deal. Now is the time to bring in new business to give vibrancy to, and take advantage of, the network that has been saved, to avoid further closures and to ensure a viable future for the service. Working with credit unions strikes me as a important way of building on something that already exists in communities.

The Government could take another step to restore savers' confidence, and confidence in the financial system. They could respond to the continuing concerns of the ombudsman about the handling of the Equitable Life sufferers—the victims of the Equitable Life debacle. When there is maladministration, or a failure of administration, if we do not demonstrate that something will be done about it, people will not feel confident about the regulation of the financial system in the future. A stronger response from the Government, and a recognition of the ombudsman's frustration over the handling of Equitable Life, would restore an element of confidence.

Responding to the economic crisis involves a role for the Treasury and the approaching Budget, but other Departments should be highly aware of the dangers of excessive regulation, and of regulation being introduced too quickly at a time when people are finding it most difficult to adapt. When I was a member of the Select Committee on Trade and Industry in the last Parliament, the point was made in evidence from the Federation of Small Businesses that while each regulation often stands up and makes sense, a wall of regulations all arriving at once places a great burden on business in requiring it to adapt and evolve. That applies during the good times, but when businesses are struggling to make ends meet and to cope with a real financial crisis, having to implement any extra bureaucracy or regulation that could be avoided imposes an unnecessary burden at a time when the other means of restarting the economy may not be working particularly well.

Earlier today, during questions to the Secretary of State for Environment, Food and Rural Affairs, we heard about the European Union's proposals for sheep-tagging and the burden that that will place on many hill farmers. The Secretary of State spoke of a move to ease the impact. I think we need to know exactly how he expects that impact to be eased. When there are a large number of sheep on the hills, identifying them individually will involve extra bureaucracy, and having to work out, when a tag is lost from a sheep, which number was on it in order to replace it will mean an awful lot of extra work for a farming community that is also struggling with the financial crisis.

Another issue raised at question time was that of our high animal welfare standards. I want to reinforce what the Secretary of State said about sound and efficient

labelling. Perhaps the Secretary of State could also reinforce what he said by ensuring that such a system can be delivered, so that consumers who have put pressure on us, as parliamentarians, to operate the highest animal welfare standards can support that pressure by buying products that meet them. There is no point in putting pressure on us to achieve high animal welfare standards, and then buying products from other countries that do not meet those standards and are therefore able to undercut products that do.

Another regulation is causing concern about the economy in my constituency. I must declare my interest in the oil and gas industry, as a Shell shareholder and a vice-chair of the all-party parliamentary group on the British offshore oil and gas industry. The group recently made a visit to a conference in Stavanger which was supported by oil and gas industry companies. I am concerned about the emissions trading phase III regulations, and the European Union's proposal for 100 per cent. of electricity generation emissions trading permits to be auctioned.

Much of the power on the offshore oil and gas platforms is generated on those platforms. The aim of the emissions trading regulations is to encourage less use of carbon by promoting alternative sources of electricity, but the offshore platforms are not connected to the grid, and cannot simply switch to a renewable source. Buying the permits at auction will impose an extra cost on the industry, which means that, at a time when the industry is already facing difficulties, older platforms in particular may be tipped into being no longer profitable, and start to be decommissioned earlier than was originally intended.

If those platforms are decommissioned early, nearby finds will no longer be exploitable. If we decommission early in the United Kingdom we will produce less oil and gas, but that will not affect the level of consumption; it will merely mean that we import more. The carbon leakage regulations provide a strong case for the Department of Energy and Climate Change to make to the European Union. It should say that we need to take advantage of the rules of the EU system, and that because of the carbon leakage, the North sea needs to be protected from the full impact of the 100 per cent. auction.

Another bureaucratic nightmare for many constituents is the minefield of the IR35 regulations. Many people work in the north-east of Scotland work as contractors, and already feel the real heat of the economic crisis. It is unlikely that they would suffer a pay cut upfront if they were employed, but because they are contractors, it is easy to reduce their fee levels by changing the terms of their contracts. The additional bureaucracy generated by all the work involved in trying to comply with IR35 could be eased if the Treasury thought again about its impact.

I wish to reinforce my support for the case for an early inquiry into the circumstances of the Iraq war, our involvement in it, and the decisions that led to it. Such an inquiry must be wide ranging to enable all the lessons to be learnt, and it should be arranged on an urgent basis so that we learn the lessons as soon as possible in order to apply them to any future conflicts. It must consider the role of Parliament, the role of scrutiny of Parliament, and the way in which Parliament questions Government. It is clear that Parliament had an opportunity to prevent that war, but did not judge the information provided by Government in a way that would have allowed it to question the decision that was put before it, and to avoid the tragedy of becoming so heavily involved in Iraq in such a bad way.

I pay tribute to the troops who have served in Iraq. They have performed the duty that Parliament asked them to perform. However, it is important for those lessons to be learnt. One of the tragedies of our having allowed the United States to distract us into becoming involved in Iraq was the fact that we took our eye off the ball of Afghanistan. That has made our present task in Afghanistan far more difficult, because the job was not seen through at the time. Having supported the intervention in Afghanistan, I hope that in our negotiations with the United States, the US will recognise the burden that we have already borne there and the importance of its troop surge in helping our hard-working armed forces—who are taking such a high risk—to deliver a better life for the people of Afghanistan, and to protect our security here at home by trying to see through a job that was not seen through properly at the time because of the distraction of Iraq.

Finally, as the Easter recess approaches, let me take this opportunity to thank all the staff of the House who make it possible for us to serve in this place, and to wish everyone a happy Easter.

1.29 pm

Sir Peter Soulsby (Leicester, South) (Lab): I want to draw attention to a proposal whose implementation would have a significant effect on my constituency: the Co-operative Group's proposal to build an eco-town known as Pennbury. Although the town would be built just outside the boundaries of my own constituency, in the constituencies of Harborough and Rutland and Melton, the impact on my constituency and the people in it would be considerable, and I am anxious to record the strength of feeling among those local people before the recess.

At the beginning of my remarks, I should declare some interests. I have been a member of the Midlands Co-operative Society, with a £20 share, for some decades and a member of the Co-operative party for some 40 years, and my constituency Labour party, of which I am a member, has recently received a £200 donation from the Co-operative party. Members will be able to tell from those declarations that I am very sympathetic to the principles of the Co-operative movement.

I am also very sympathetic indeed to the concept of environmentally sustainable housing. During my 17 years as leader of the city council in Leicester, it was awarded the accolade of being Britain's first "environment city", and it was one of 12 communities worldwide that was invited to the Rio summit to give examples of communities that were seeking to grow in a sustainable way. I also have a long commitment to the provision of adequate affordable housing. I was a member of the then controlling Labour group in the city council in Leicester at a time when we were very proud to be building some 1,000 council houses every year.

Therefore, nobody can doubt the fundamental attitudes with which I approached the Co-operative society's proposals to build this eco-town. I am also not unsympathetic to its desire to develop a part of its extensive landholdings to the south of Leicester for

[Sir Peter Soulsby]

housing. When I was leader of the city council, we had a number of discussions with it about what were then its proposals for an area called Stretton Magna, not far from the Pennbury development of today, and when the Co-op came forward with this new proposal, I hoped I would be able to support it.

In the almost two years since the publication of the Government prospectus for eco-towns, I have had a number of meetings with representatives of the Co-op. I have also met city and county councillors and officers, and I have looked carefully at the Co-op's publications and at the analysis of the proposals undertaken by the city and county councils in Leicester and Leicestershire. I have looked particularly carefully at the work undertaken by Halcrow, which has conducted a strategic assessment of the proposals that was published last December.

My initial sympathy for the proposals and the proposers has changed to alarm about the potential impact on my constituency and the city of Leicester more generally, and from that alarm to a general conclusion that were Pennbury to be developed, its impact on Leicester—and Leicester, South as a part of Leicester—would be devastating. During this period, I have been particularly disappointed that, rather than engaging with the concerns that I and others have expressed, the Co-op has chosen to dismiss our questions and to rubbish the many criticisms that Halcrow made of what it described as the Co-op's "questionable assumptions".

The Co-op's latest glossy publication is full of inspirational pictures and fine words. That is typical of its responses to the criticisms, and I will draw on it to illustrate some of my points. In it, the Co-op dismisses its opponents as

"a small minority of people who opposed the eco-town proposal from the outset",

and it accuses them, and by implication me, of wishing to "stifle debate". It may well be the case that some have opposed the principle, but that is certainly not true of me, nor of many others who have tried to get proper answers to reasonable questions.

Let me refer to one particularly distinguished critic: John Dean, the former president of the Royal Town Planning Institute and the distinguished city planning officer in Leicester in the 1970s and '80s, who served for a total of, I think, some 21 years in that capacity. He did much to shape the conservation and appreciation of the city's built heritage and to prepare the ground for its current regeneration. Mr. Dean said of the proposals for Pennbury:

"The location of the proposal derives from the landownership of the scheme promoters and not from any rational planning process which has considered and debated alternatives."

He has produced a detailed critique of the proposals. Much as the Co-op might like to dismiss such distinguished criticism, John Dean and many others, such as me, who have been increasingly concerned about the proposals are certainly not guilty of nimbyism.

I have four broad and interlinked concerns: first, the development on this site will draw regeneration investment from the city of Leicester; secondly, the transport generated by it will have a totally unacceptable impact on the A6 corridor through my constituency and the A563 to the M1 motorway, and the suburban rat-runs through the constituency will be dreadful; thirdly, the tram, which has so seduced the city council, is a mirage, and many other aspects of the transportation proposals are unrealistic or unworkable; and, fourthly, the employment proposals and projections put forward by the Co-op are vague and unrealistic.

I wish to say a little more about transportation in particular. The Co-op claims that

"the effect of the eco-town on the transport network would be minimal".

If it has carried out studies to come to that conclusion, they are certainly not ones that have convinced the experts, Halcrow, which expressed its conviction that the transport infrastructure cannot be delivered. However, we do not need an expert to tell us that the Co-op's assertion that the impact of 15,000 new homes "would be minimal" is plainly ludicrous.

What the Co-op has tried to do in developing its proposals is pretend that it will be possible to persuade residents of this eco-town to reduce car ownership to one car for every two households. That may be highly desirable, but it does not reflect the real world of the 21st century. Equally ludicrous is its planning assumption that it will be possible to provide appropriate employment in the eco-town to match the employment needs of 60 per cent. of the residents. As Halcrow points out, that is more that twice the so-called containment level of the neighbouring mature areas of Oadby and Wigston. Even on the Co-op's figures—which, as I have said, are hopelessly unrealistic—the location of the park-and-ride terminus at Leicester race course is in completely the wrong place and unworkable. The prospect of squeezing more cars and a dedicated public transport corridor—whether bendy buses or a tram—down the already heavily congested A6 London road, which is one of the most attractive routes into the city, with little more than some bus lay-bys and a more sophisticated traffic light system is totally incredible to ponder, and the strain on the ring road to the south of the city towards the M1 has scarcely been considered by the Co-op in any of its propaganda. Indeed, much of its propaganda is totally unreadable, with plans that are largely meaningless to the layperson for whom they are intended.

With regard to the regeneration of the city, the Co-op has made two completely contradictory assertions. On the one hand, it claims that the eco-town will not draw regeneration investment from the urban core of the city—which, of course, it clearly will—and on the other hand it asserts that it is better to develop on its green fields because, in its own words,

"brownfield sites are expensive to develop".

Frankly, it cannot have it both ways. Particularly astonishingly, the Co-op claims that

"brownfield development has also failed to deliver affordable housing".

I could take Co-op representatives throughout my constituency and across the city of Leicester and show them many examples over many decades of brownfield sites that have been successfully developed for either Housing Association or local authority properties.

In conclusion, the fundamental problem with the site is that, because of its proximity to Leicester—and to Oadby and Wigston, in the constituency of the hon. and learned Member for Harborough (Mr. Garnier), whom I was pleased to see in the Chamber today—

Pennbury can never be a free-standing development with its own identity. Because of the infrastructure problems, it is totally inappropriate as a sustainable urban extension.

Concern about the devastating effects of this proposal cross the political divide. They have of course been expressed by Members in this Chamber—by, for example, the hon. and learned Member for Harborough and the hon. Member for Rutland and Melton (Alan Duncan)—and, indeed, by members of all parties in the county council. Although members of the city council were, for reasons that are well understood locally, keen to give initial support to the proposal, they, too, gave it subject to conditions on housing, transport and regeneration, all of which it is now clear the Co-op will not be able to meet.

As the consultation period draws to an end, I want to take this opportunity before the Easter recess to urge the Government to kill off this misguided and extremely damaging proposal at this stage, rather than allowing it to proceed and to die, as I hope it eventually will, when it is subject to scrutiny and consideration in the regional and local planning processes.

I wish my many friends in the Co-operative movement well. I admire their determination to make good use of their assets and I have no doubt of their genuine environmental aspirations. However, on this occasion they have the wrong proposal on the wrong site, and I must defend the interests of my constituents and the city of Leicester from this potentially devastating proposal.

1.42 pm

Mr. Rob Wilson (Reading, East) (Con): I am extremely grateful for this opportunity to raise a number of very important local issues. I had hoped to deal with one of them at business questions but unfortunately I was not called, so I will deal with it briefly now. It is about a rapidly improving school, Highdown, in my constituency, which was informed on Monday by the Learning and Skills Council about a cut to its sixth-form funding. This is happening to schools and colleges right across the country. The LSC is also refusing to fund all the places that Highdown needs to satisfy local student demand—on top of the fact that its new sixth-form centre building project has recently been put on hold. The new cut is causing a £200,000 budget deficit that will have very serious implications for the school. The head teacher told me that he could be forced to make teaching staff cuts, which in turn could halt the immense progress that the school has been making in recent years.

There will be other schools in my constituency suffering similar cuts, about which there was no consultation or, indeed, warning. So much for the Government's promise of stability for schools through three-year funding mechanisms. The funding cut has been made at the last possible moment in the financial year and is obviously a desperate attempt to claw back money. What we do not know is what caused it. It is a particularly sneaky and underhand way of doing things, and the Secretary of State should be forced to come to this House as soon as possible to explain why he has done it.

I turn to phone masts, the behaviour of Vodafone and the incompetence of my local council's planning department. Vodafone had submitted an application for a 10 m high mast at the junction of Westdene crescent and Woodcote way. It was turned down because it was completely inappropriate to the local area—in fact, it would be an eyesore. Another application was submitted, which the local council also turned down. However, Reading borough council's planning department failed to notify Vodafone within 56 days, as it is required to do. The council says that it wrote to Vodafone on the 55th day, but the letter arrived on the 57th day. The result, I am told, is that Vodafone, on a technicality, has the right to go ahead. The council has failed its residents in this matter and should rightly be taken to task for its abject incompetence. It has let local residents down in a quite shameful way. I hope that the matter will be pursued via the local government ombudsman, but also that the council will do everything it possibly can to make amends.

However, Vodafone is also acting in a manner that I would not expect of a company that values the notion of corporate social responsibility. Whether it got the decision off the 56th or 57th day, it knew the planning application had been turned down before it went ahead; it should have accepted this, or at least acted in good faith to negotiate another site. I have to say to Vodafone that I will not deal with a company that treats my constituents in this way. It has not acted in good faith with the local people. Whatever the problems with Reading borough council, it should not be used to ride roughshod over local concerns. I have tried to engage Vodafone in a dialogue, and I urge the company again today to engage positively with me and with local people to try to get a solution that is acceptable to all parties. I am willing to help, because I believe that mobile communications are an extremely important part of modern life in this country and an important industry to the UK as a whole. It is essential that companies protect their reputations. I advise Vodafone to act without delay.

I turn now to the extremely serious issue of irresponsible lending. Although I appreciate that many families have been affected by the recession, I would like to concentrate my thoughts on one of my constituents, Mr. Trevor Howard. Owing to a catalogue of events outside his personal control and to the Financial Services Authority's negligence, he is no ordinary victim of the credit crunch. In the times of profligate lending before the credit crunch hit, loans sometimes felt as easy to obtain as a bar of chocolate from a shop. People could more or less walk into a bank and choose the mortgage they wanted, of pretty much any shape or size.

During this period, Mr Howard's former wife, Julie, fraudulently obtained hundreds of thousands of pounds via a plethora of loans, re-mortgages, store cards and credit cards. The level of deception she employed is shocking, but the incompetence of the lenders involved is equally so. We are talking about sums such as a £150,000 re-mortgage brokered by Best Advice mortgages—we can see the irony in that name—and funded by Kensington; another re-mortgage totalling £37,000 with the now collapsed Bradford & Bingley; loans in excess of £100,000 with Firstplus; and a number of other loans and credit cards. Thames Valley police have cautioned his wife, because the Crown Prosecution Service will not prosecute in a criminal court.

Mr. Howard has won a civil case against his ex-wife, but on this occasion attention needs to be drawn away from her fraud and toward the negligence of the lenders

[Mr. Rob Wilson]

involved. None of the fraud would have been possible without the lax procedures employed by the lenders. HSBC, for example, agreed to a £13,000 loan that Mrs. Howard had applied for under her and her husband's name. The bank manager signed his approval to the agreement the day before—the day before—the form was signed by the applicants. Not only this: Mr. Howard's signature was forged, as has been verified by a handwriting expert.

On another occasion, Best Advice mortgages agreed to a £150,000 re-mortgage in both Mr. and Mrs. Howard's name. It is claimed that the application was face to face; however, the truth is very different. Mr. Howard was at work, as a builder, on the day the application was made and has a large number of witnesses who have verified the fact. Mrs. Howard later admitted that the application was submitted by post. Subsequent inquiries to the lender showed that the form was incomplete, and Mr Howard's date of birth was incorrect and his signature was once again forged. Witness signatures were forged, to the extent that three out of the four signatures on the mortgage deed were forgeries.

An Experian report revealed that Mr Howard's date of birth was incorrect against a number of accounts, all of whose existence he was not aware of until he split from his now ex-wife. She ran the couple's finances and employed an unimaginable level of deception to hide all the debt racked up in Mr Howard's name—all without his knowledge or consent.

Mr. Howard has written to the Council of Mortgage Lenders, to the UK's fraud prevention service and to the Prime Minister. Since taking up his case, I have written to the financial services ombudsman, the Justice Secretary and the Independent Police Complaints Commission regarding the failure to investigate the lenders. All attempts to get action to be taken against the mortgage lenders have fallen on deaf ears and they have simply been wriggling and passing the buck to each other. I am particularly dismayed at the attitude of the Financial Services Authority—the supposed regulator of financial services.

This case involves irresponsible lending in the extreme; money was fraudulently obtained by Mr. Howard's ex-wife simply because the lenders did not carry out reasonable, significant or responsible checks. Like many builders, Mr. Howard was made redundant at the end of last year. Obviously, that was partly due to the economic climate, but the time that he had to take off work to fight his civil case, which he won, also played a significant part in his becoming unemployed. Mr. Howard's home is being repossessed, so due to his wife's fraudulent activities and the incompetence of the lenders he has been left unemployed and he will probably soon be without a home.

Serious questions need to be asked about the regulatory system and the way in which lending takes place in the UK. Applications made by post are obviously open to identity fraud, so why are lenders not making sufficient checks on those applications? For example, why did the lenders not carry out proper and thorough signature checks in this case? Mr. Howard's date of birth was entered incorrectly by his ex-wife on application forms so that his credit history would not come up in checks by lenders. That hid all the previous lending and made it appear that he had a very good credit history. Why did the lenders not properly verify the identity of the applicants? The date of birth details on the forms and identify documents were not properly checked or corroborated at any stage? Credit cards were delivered through the post to an address other than the family home. Mr. Howard's ex-wife had changed the delivery address without his knowledge or consent. How was that allowed to happen? Why do lenders not follow their European counterparts by requiring credit cards to be collected from them as a way of verifying the borrower's identity?

When investigating, the police struggled to obtain documents from these lenders. Why is there no way to force lenders to provide the required information to the police? The sad reality is that Mr. Howard will probably never get justice for what has happened to him. The FSA has refused to investigate the lenders and the lenders themselves have failed to investigate internally. Perhaps the Minister could give Mr. Howard some hope and undertake to push for an inquiry into how this situation was allowed to happen. I am not sure that the answer is more regulation; it is about better regulation and the enforcement of existing regulation. The Government are culpable for failing to ensure that the FSA was on top of the financial regulation of this industry. Unfortunately, Mr. Howard is yet another example and victim of this Government's economic failure.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I mean no prejudice against those hon. Members who have spoken and who did so within their time limit, but it is apparent that it would perhaps be more to the advantage of hon. Members if I withdrew the time limit on speeches. That will perhaps give a slightly more relaxed opportunity to those hon. Members who have been patient enough to wait for the debate. I call Mr. Allen.

1.53 pm

Mr. Graham Allen (Nottingham, North) (Lab): As Parliament and MPs are being kicked around by Government and the media at the moment, it is probably worth reminding ourselves of a time in the not-too-distant past when Parliament did get off its knees, did speak for people and did seek to hold the Government to account. The two largest rebellions ever within a governing party occurred six years ago but, despite them, Parliament decided to support President Bush's war in Iraq. The last of our troops are coming home now, so it is a good time to ask the following question: what is the profit from our victory?

Some 179 of the troops' comrades have died, as have 4,259 members of the US military and an estimated 99,500 Iraqi civilians; an extraordinary and irreplaceable diversion of focus and resources away from the real threat, al-Qaeda, has taken place—imagine what we could have done in Afghanistan to the nest of al-Qaeda had we deployed all those resources where terrorism was clearly a threat. A new home for terrorism has been created. I take second place to nobody in condemning the tyranny of Saddam Hussein—the only thing that can be said for him is that, as a result of his butchery and tyranny, his own people were so much in fear that they were not susceptible to the splinter groups of al-Qaeda and to terrorism. Even in the depths of fantasy peddled by some of the people around President Bush, there was never a proven or sustainable link to al-Qaeda.

The 100,000 or so people killed in Iraq had families, and the dysfunction that has been created is the perfect breeding ground for generations of terrorists, who can take flight around the globe and make all of our lives more difficult.

We also lost the moral high ground as a civilisation. Whether it was because of what happened in Abu Ghraib or anywhere else, our right to speak, in any sense, as superior to any other culture disintegrated very rapidly—the right was forfeited. We also smashed the precious Arab-west coalition that had been developed in the previous Iraqi war, and the United Nations—perhaps our best hope for the future—was irrevocably weakened. It can no longer summon up armies or nations to rid people of tyrannies, wherever those may be.

That is the legacy and we all have to live with it. It must be said that not a single weapon of mass destruction—the pretext of going into Iraq—was ever found there. That is history, but it is useful to learn some lessons from history. I, like a majority of the people in the Chamber today who were also here at that time, opposed the war and organised, in this place, against it. After the decision was made, I kept my counsel and ensured that our young troops, many of whom are from my constituency—I have met them in Basra and elsewhere—were not undermined.

As we approach the sixth anniversary, I feel that some of the story can be told. Much of it reflects the grossly unbalanced relationship that exists in this place between Parliament and the Government, and there are a number of lessons that I would like the House and all Members to learn from that period. Before I touch on that, it is worth recalling that the first vote on the issue in this House, which took place on Wednesday 26 February 2003, was on the motion that the case for war was "unproven", and 122 Labour MPs voted to oppose going to war. Had the Conservative MPs voted for the amendment, war would have been defeated by 109 votes. I am not making a partisan case. The Conservative Members who voted for the amendment did so with great courage and resilience, and those who did not voted in the way that they did because they felt, openly and honestly, that that was the best way to go.

The second such vote took place on 18 March 2003, on the amendment that the case for war had "not yet been established", and the majority of the non-payroll vote on the Labour side—139 Labour Members—voted to oppose going to war. Sometimes my friends in the Liberal Democrats inadvertently make it appear that only they opposed the war at the time. A significant number of Liberal Members voted with us on that amendment, but it was not as large as 139—the number of Labour MPs that voted to oppose going to war. Some 219 Members, from all parties, voted against going to war and another 29 deliberately abstained. Had the Opposition voted for the amendment, it would have been carried by 109 votes and Bush would have gone to war on his own.

Sir Robert Smith: There is a question as to whether Mr. Bush would have gone to war on his own or whether by supporting him we conferred legitimacy on his actions. One of the most frightening conversations I have had was with an academic in the US, during a Select Committee visit, who said, "I had a lot of qualms about the war, but when I saw Tony Blair was backing it, I decided it was all right for us to go to war."

Mr. Allen: Tempting as the hon. Gentleman's offer is, I shall not go over the old ground and reopen wounds within or across parties: I am trying to tease out some of the lessons for the future. I remember that he was in the Lobbies with us on those key occasions.

Had the Opposition not voted against, but abstained, we would have needed just 20 more colleagues to have blocked the war—so near, but so far away. Despite all the pressure, the hysteria, the whipping and the meetings with Cabinet Ministers and even the Prime Minister, the threats that the Prime Minister would resign and the accusations that people were siding with Saddam Hussein or were being unpatriotic, it is remarkable that those who opposed going to war not only maintained their opposition, but strengthened their position by the time of the second vote. That is a tribute to all those in all parties, of many different views, who felt so strongly that then was not the time to go to war.

I want to take the House on a brief stroll down parliamentary memory lane to recall the first rebel Parliament since the Long Parliament of 1640. The Long Parliament managed to fight the English civil war and execute the King. Its successor was not so dramatic, but it forced the Executive to convene the real Parliament to debate the slide into war against Iraq. In doing so, it opened up issues that are still pertinent to the House in general, and the possibility of a serious debate on the war in Iraq that would not pick over the bones of who was right or wrong, but would ensure that we learn the lessons and decide where the balance of authority should lie between Parliament and the Executive—something that we still need to resolve. When Parliament can check and scrutinise the Executive, we will have truly learned those lessons. The question is not when the Government will allow Parliament to scrutinise the Government. It is surely a complete contradiction in terms that the very body that will be scrutinised is the body that allows that scrutiny to take place. It defies human nature to want such exposure. There has to be a separation so that Parliament can do its job properly and question any Government's decision at any time to go to war, and monitor the subsequent conduct of that war.

Through the summer recess of 2002, pressure was building up. The then Prime Minister was scuttling over to Camp David regularly, and it looked very much as though the United States would attack Iraq, and that Britain would be involved by virtue of the "special relationship" between Tony Blair and President Bush. They gave a press conference on 3 September 2002. Tony Blair said that if the situation developed in Iraq then the

> "fullest possible debate will take place, not just in the country but obviously in Parliament and elsewhere".

The term "elsewhere" was unfortunately characteristic: Parliament had no higher status in the prime ministerial mind than the media, the pub, the opinion polls or the focus groups. As events would prove, Parliament was not genuinely and openly involved in the process. Instead, Members had to fight to stake a claim to represent legitimately the opinions that they were hearing in their constituencies. That right was not gifted to us by Parliament, nor was it ours as of right. It had to be fought for, as indeed have almost all extensions of our rights.

Parliament had no rights either to recall itself or to debate war powers, and the Government gave no sign that they intended to recall Parliament before 15 October

[Mr. Allen]

even though it was clear that they were likely to take this country to war. Many hon. Members at the time thought that that would be far too late and the die would be cast. On 3 and 4 September, I wrote to the Prime Minister asking him to consider recalling Parliament, and I know that dozens of other colleagues did the same—we agreed that this would be a good thing to do—but Tony Blair has never revealed how many MPs requested a recall.

We believed that a recall of Parliament would strengthen British policy and diplomacy; would strengthen the Prime Minister's negotiating capability with the US President; and would help to explain the issues to the country, which was deeply divided and anxious about the possibility of war. Above all, recalling the forum of the nation would allow the ventilation of the views that had been expressed to us in July, August and September. That should always be our primary role, but it cannot be our role if we cannot meet to express those views.

Apart from writing to the Prime Minister, there is nothing else that an MP can do to get Parliament recalled. The Standing Order on the recall of Parliament—Standing Order No. 13—says that once the House is adjourned, a recall can be achieved only by representations "to the Speaker by Her Majesty's Ministers that the public interest requires that the House should meet". The Prime Minister has monopoly power over the recall of Parliament: the very person Parliament is meant to scrutinise is the only person who can authorise that scrutiny.

Since then, I have placed on the Order Paper every day a modest change to the right of this House to recall itself—to enable Mr. Speaker, without a request from Ministers, to think carefully about whether, on rare occasions, the House should be recalled. Regardless of people's views about whether we should have gone to war at that time and about the timetable set by the President, all parliamentarians would surely have wanted the Speaker to make the decision about recall.

In spite of growing pressure from MPs, the Prime Minister was not willing to recall Parliament. Several of us therefore began to contemplate the idea of a rebel, unofficial Parliament—an alternative assembly of MPs. If Parliament was to be vetoed, perhaps MPs could take the initiative and convene themselves, meeting as an assembly of MPs outside of Executive control. Imagine that. Although it would clearly be second best to a real Parliament, the assembly could debate Iraq under strict parliamentary rules and put constituents' views on the record. Having spoken to a number of colleagues in all parties, I wrote to every Member of the House and asked three questions: first, would they support Parliament's being recalled to discuss the Iraq issue; secondly, if Parliament was not officially recalled, would they consider attending a gathering elsewhere of MPs operating under strict parliamentary rules to discuss the Iraq issue; and, thirdly, would they support a change in the Standing Orders to enable the Speaker to recall Parliament without the qualification that it should be at the request of Ministers if the Speaker were satisfied that the public interest did so require? The response was overwhelming. No fewer than 85 per cent. of Back Benchers agreed the need for an official recall, 65 per cent. agreed to come to an unofficial recall and 86 per cent. agreed that the Standing Orders should be changed, although, by agreement with my party's Whips, I did not release those figures to the media. It was clear that the demand was there for an alternative Parliament.

On 5 September, I invited the former Speaker, Lord Weatherill, to resume his role for one day in the alternative Parliament. I also asked the then Serjeant at Arms if it was possible to hire the Chamber of this House. On 7 September, Lord Weatherill accepted the invitation to chair the alternative Parliament, which gave an immense boost to its standing. I looked for a team of Deputy Speakers and retired Clerks to support him.

We also began to think about procedures. An alternative Parliament did not need to be bound by obsolete and inefficient traditions. We planned to try out innovations, including a microphone for every Member, working sensible hours and a strict limit of 10 minutes on all speeches, with no privileges for Front Benchers or Privy Counsellors. Our Speaker would let the House sit until MPs had spoken. For once, a late-night sitting would be justifiable. We wanted to allow MPs who could not be on hand at the alternative Parliament to hand in their speech for the record, as is done in the US Congress.

We planned a live webcast of the alternative Parliament on the internet so that any elector could e-mail their views as they watched the debate. We even thought of a new logo—a raised portcullis, representing letting people into their Parliament rather than shutting them out. On Monday 9 September, a Back-Bench steering group of one MP from each party was created to oversee those arrangements.

The following day we had a classic Catch-22 response from the Serjeant at Arms: he could not allow the Chamber to be used until the House agreed, but the House would not reconvene until 15 October. We looked for an alternative venue in Westminster and settled on Church House—a chamber used when Parliament was bombed in the second world war. To many MPs, that circular 600-seat chamber was actually better designed than the Commons Chamber. I was told that it would cost £6,000 for a day and fortunately my wallet was spared by offers of financial support from the BBC, the *Daily Mirror*, the Rowntree trust and several individuals. We settled on the date of Thursday 19 September for the first Parliament to recall itself.

Invitations, as many colleagues will recall, were sent to every MP and it became clear on 10 September that there would be overwhelming attendance—we had gained a critical mass of Members of Parliament who were willing to attend to put their very different points of view at that gathering. We were also gathering massive coverage in the media, and the clincher was a call from the BBC to ask whether it could cover the debate from gavel to gavel, from morning until it finished. I, along with my colleagues who were involved at that point, readily agreed to that request.

On Wednesday 11 September—the anniversary of 9/11—No. 10 capitulated. Robin Cook called me to concede that the official Parliament would be recalled, and so there would be no need for an alternative Parliament. Characteristically, No. 10 briefed the media before it briefed the steering group of MPs, but we were none the less delighted to have made the Executive recall Parliament, even though they were opposed to doing so.

The alternative Parliament secured for Parliament the right to debate the Government's conduct of policy towards Iraq. That would not have happened for a

further month had we not taken those steps. History will judge whether Parliament made the best use of that opportunity and whether it did enough to probe the military, political, legal and moral case for the Iraq war, or to expose the half-truths and outright falsehoods that accompanied it, as well as the lack of preparation for the aftermath—the absolutely criminal lack of preparation for victory, which meant that military victory was obtained but the peace was lost and frittered away.

Perhaps the subject of how the votes were organised and how the opinions fell is one for another day. However, many colleagues felt that that was the first e-mail rebellion in the House of Commons. The virtual organisation that was set up to support colleagues from all parties worked very well. The names of the colleagues who were involved and who stood out on that occasion are evident for all to see in the Division lists, which are still available.

Six years later, we still have unfinished business from the alternative Parliament, from those votes and from the decisions that were taken at that point. The recall of Parliament is still in the gift of the Executive. I still hope that all Front Benchers will seek to persuade their parties to commit to changing that. In spite of promises, Parliament still has no rights to approve war-making and the conduct of wars. The Prime Minister can still send our forces to war in the name of the Crown, as though he were Henry V at Agincourt. As we discovered in the run-up to the war, Parliament still receives no independent legal advice on the legality of war and still depends on the good will of the Law Officers even to see a brief outline of their opinion, let alone to debate it. This House needs its own legal capacity so that Members can refer to a Law Officer of their own to be sure of their legal standing when they make decisions that could come before the International Criminal Court and, in the most extreme cases, could result in charges when laws have been passed illegally because of the votes of Members. We need that capacity and we do not have it. Parliament still has no means of examining the quality and reliability of intelligence information if it is used to justify the resort to war.

Although those issues remain unresolved, hon. Members should look back at those votes and at the genuine opinions that were expressed in all parts of the House, and should take heart from the fact that this Parliament can get off its knees and express a view on behalf of the people out there. Members of Parliament do not have to be whipping boys of the media for the sins of one or two of our colleagues. We can have our rights, we can exercise our responsibilities and we can hold Governments to account. Even though—amazingly—it is now six years since those exciting and in many ways tragic days of 2003, I hope that Members of all parties, including those who will or do form Governments, will learn some of those lessons and implement some of the changes to make this House, once again, worthy of the name of the Parliament of the British people.

2.19 pm

Mr. David Amess (Southend, West) (Con): I congratulate the hon. Member for Nottingham, North (Mr. Allen) on his speech, and I certainly agree with many of the points that he made. I shall say more about that in a moment, and I am delighted to have an opportunity to speak for a little longer than was originally allotted, but I shall not speak for too long as I do not want to be penalised in future.

This is likely to be the last Easter Adjournment debate before a general election, when the British people will have an opportunity to give their verdict on the Government's performance since the 2005 election, and on Labour's performance as a whole since 1997. I feel that that verdict will be pretty damning in every respect.

Whatever Government explanations are given, it is extraordinary to find the economy in its present state. The Prime Minister used to be the Chancellor of the Exchequer, so it is very difficult for him to distance himself from his first, disastrous Budget, which he delivered in 1997. Pension funds were raided to the tune of £5 billion, and he made many mistakes throughout the 10 years that he was Chancellor, especially in respect of regulation.

Following on from what the hon. Member for Nottingham, North said, I shall regret voting for the Iraq war until the day that I die. In my experience of the House, many hon. Members claim to be experts on all sorts of things. I have never pretended to be an expert, although the Conservative Benches contain many colleagues with military expertise.

I listened to what the then Prime Minister, Mr. Blair, said at the Dispatch Box about how weapons of mass destruction could reach this country within 45 minutes. He made other claims too, but my party leader at the time, together with the then leader of the Liberal party, had been to No. 10 Downing street for a briefing. I believed that they had more expertise than I had, and that we could not let our troops down. For that reason, I thought that the right thing to do was to support the Government.

I bitterly regret that now. I will never be so naive again. In economic terms, we would of course be in a better position now if we did not have the war debt, but the hon. Member for Nottingham, North told us how many people had died, and the number is just appalling. As for Afghanistan, any hon. Members who reckon that they have the necessary expertise should tell us how we can defeat terrorism when the people responsible for it are willing to take their own lives. I should be very interested to hear from them. I repeat that when the British public are given the opportunity to judge this Government, their verdict will be very damning.

However, I want to discuss a number of matters before we adjourn for the Easter recess. I see that the hon. Member for Nottingham, North is still in his place. He and I went to Shanghai on our visit to China last year, and I have just had the privilege of leading a delegation to Mumbai and Chennai. The visits to China and India were very educational, as they allowed us to learn about the performance of those countries' economies. The British Government need to watch their development very carefully, and I hope that we will be at the forefront in taking the opportunities that present themselves. We must also make much more use of the wonderful work of the British Council.

I happen to be the chairman of FRAME, the fund for the replacement of animals in medical experiments, a parliamentary group that tries to stop experimentation on animals. We adopt the sensible approach of trying to find alternative sources. The National Centre for the

[Mr. David Amess]

Replacement, Refinement and Reduction of Animals in Research does wonderful work in reducing unnecessary animal experimentation. It provides research funding for reducing cruelty in animal testing in areas such as veterinary immunisation testing and reproductive toxicology, and it supports data sharing in industry to ensure that animal testing is kept to the statutory minimum.

The organisation has had great success in reducing dramatically the fatal use of testing on rodents, for instance. Some might say that its budget of £4.5 million is large, but that money has to go an awfully long way. Most of it goes on research grants, and it would be wonderful if the organisation were to get more money under the next spending review.

When I was a member of the Health Committee, I suggested that we had an inquiry into obesity. All sorts of people got interested in the subject as a result, but I said to my colleagues at the time that I did not think we would make much progress if we did not concentrate on the salt, fat and sugar contents of the food that various producers were putting on the market. I accepted that spending more time on physical activities was a wonderful idea, but I believed that we needed to focus on what was achievable in the overall goal of reducing obesity.

Sadly, 10 years later, unhealthy food advertising to children is still widespread, even though new Ofcom regulations for TV and radio were introduced a year ago. There has not been as much progress as there should have been in introducing the traffic light system, as the Health Committee recommended, because—as ever—Tesco has gone its own way.

Tesco almost seems to be running the country. Many years ago, when I was Member of Parliament for Basildon, we started off with one superstore in the middle of town, but we had three by the end of my time there. Then the company wanted to have a post office in its supermarkets, and we lost shopping parades as a result. Nowadays, as all hon. Members know, Tesco is acquiring bits of land everywhere for its outlets, and it even runs them in garages. Tesco is putting people out of business morning, noon and night. It wanted to do its own thing, as ever, with the traffic light system of labelling. Quite simply, the system has not worked. I believe that it would be prudent to consider introducing a robust regulatory code of practice to address childhood obesity. The gesture politics that I so often see in relation to obesity is achieving absolutely nothing.

Cooking oil is a common waste product that is damaging to the environment and difficult to dispose of. We have an excellent opportunity to use it to produce carbon-neutral electricity. That would make a wonderful contribution to the Government's carbon emission reduction targets, yet the lack of classification of cooking oil as a fuel or waste product is a major disincentive to companies looking to invest in the technology. Swift action to rectify that situation would make a great contribution to reducing carbon emissions.

This time last week, I was chairing the annual general meeting of the all-party group on the Holy See. Cardinal Cormac Murphy-O'Connor was present, as were the media because they thought he would announce his successor as cardinal, which he did not. The Papal Nuncio was present and so, too, was our wonderful ambassador to the Holy See, Francis Campbell. Some long-serving Members will remember my exchange about the Holy See with Tony Blair at Prime Minister's questions, after it had been brought to my attention and that of other Members that we were to lose our delegation at the Vatican. Mr. Blair looked very surprised at that, even though he was running the country and, as we learned, was very close to the Catholic Church. After Members were alerted to the situation, a number of us got together to form the all-party group.

Francis Campbell is doing a wonderful job as ambassador and I am delighted to tell the House that Peter Ricketts has informed me that as a result of sensible and constructive lobbying by colleagues, our embassy will be reinforced with a new deputy ambassador and more staff. The staff have done wonderful work operating on a tiny budget.

I agree with the hon. Member for Nottingham, North that this place has changed out of all recognition. Colleagues do not know what we are talking about when we tell them how much power we had. We worked long hours and we could really make a difference. Now we have lost all our power to quangos, but the issue I have just described is an example of how we can make a difference without rowing and arguing with colleagues. I am delighted with what has been achieved.

Anti-Semitism is unacceptable wherever it happens. The Metropolitan police report that there were four times as many anti-Jewish incidents in recent weeks as there were Islamophobic incidents. The Community Security Trust, which monitors anti-Jewish racism, reports that there were as many attacks on Jews in the first weeks of 2009 as in the first six months of 2008. That is staggering, although we know why about 270 cases of anti-Semitism were reported in the first few weeks of 2009—it was to do with the Israelis and Hamas in Gaza and southern Israel.

Incidents recorded by the CST include violent assaults in the street, hate e-mails and graffiti threatening jihad against British Jews. One disturbing aspect is the targeting of Jewish children. The *Jewish Chronicle* reported that a 12-year-old schoolgirl on her way home from school was terrorised by a mob of youths chanting "Kill all Jews" and "Death to Jews." I became so concerned that I tabled a series of parliamentary questions, and I am pleased to hear that the Government have taken the matter seriously and will act on it.

I welcome the fact that the first international conference on combating anti-Semitism was held in London. It was attended by more than 100 parliamentarians from 40 countries. The conference called for the establishment of an international taskforce of internet specialists to monitor anti-Semitism online and propose international responses. I very much welcome that.

Over the years, I have found that many of the issues raised in Parliament are seasonal. Here we are on 2 April, so I am raising the issue of fireworks. Despite the passage of the Fireworks Regulations 2004, the Royal Society for the Prevention of Cruelty to Animals still receives hundreds of complaints every year, particularly on bonfire night and new year's eve. Domestic animals are severely stressed and given to madness by loud fireworks. A Labour Member who is no longer in the House—

Shona McIsaac (Cleethorpes) (Lab): Bill Tynan.

Mr. Amess: Yes. Bill Tynan introduced a Bill on fireworks.

Despite prohibition of the supply of excessively loud category 3 fireworks, it is clear that fireworks are still readily available that create noise levels in excess of 100 dB at 15 m, well beyond the loudest noises in normal domestic settings. We need to look at what can be done to promote desensitisation programmes for domestic pets and to ensure that the current law on night-time firework use is enforced thoroughly. In addition, we need to look at ways to reduce statutory maximum noise levels further, perhaps to 75 dB, as recommended by the RSPCA.

Shona McIsaac: I am a former executive officer of an all-party parliamentary group that campaigned against fireworks, so I welcome the fact that the hon. Gentleman is raising the issue today. Is not the situation particularly serious for guide dogs? I am often told by vets who say that fireworks are not a nuisance, "You can simply sedate an animal for the duration of the firework season." One cannot do that to a guide dog.

Mr. Amess: I agree with the hon. Lady. I have heard her speak on these matters before, and her support is welcome.

Sir Robert Smith: One can have a spectacular firework display that gives great visual enjoyment without loud noise levels. The noise is not essential to the quality of the firework; it is an extra that is added on, and it could be reduced without damaging the visual quality.

Mr. Amess: I agree with the hon. Gentleman. We are blessed to be by the River Thames, where we can see beautiful firework displays reflecting off the river without its being noisy. The new year celebrations were a wonderful opportunity to see such displays. Last November, all the bangs, which seemed to be fired in the direction of my house—I do not know whether I was being targeted by local residents—were slightly over the top, so I certainly agree with the hon. Gentleman.

The Deputy Leader of the House of Commons (Chris Bryant): Did you take it personally?

Mr. Amess: No, I certainly did not.

All hon. Members, whether or not they use their allowance for a second home, must be absolutely fed up with all the junk mail that is put through the letterboxes. I know that these are tough times, but whether the junk mail is from restaurants, suppliers or others, it is completely out of control. Some of that junk mail can cause nuisance, distress and inconvenience to many people in all sorts of ways. It leads to a high level of waste and identity fraud. Levels of direct mail mistakenly sent to people who have moved are still far too high. I am advised that even under the best practice guidelines of the Direct Marketing Association, data management software still leads to an average of 25 per cent. of deceased persons continuing to be sent direct marketing. That can cause great distress to family members. More rights are needed to allow people to take control of their personal data and to prevent bothersome and unnecessary junk mailings.

I have been contacted by the Swimming Teachers Association, which feels a little bit peeved that it was not involved in the excellent decision to extend free swimming to the over-60s and under-16s. The programme involves a lot of money being spent—£140 million—including on 49 development officers. It would seem prudent to involve all relevant parties, so that we can strengthen decision making on how that money is to be spent. I hope that in future, the Swimming Teachers Association will be included.

When I was on the Select Committee on Health, I suggested an inquiry into allergies. I am raising this issue on 2 April, not in the summer. There are so many allergies that people have today; I am thinking particularly of hay fever. The availability of allergy therapy through the national health service is patchy and varies enormously between primary care trusts. Availability of anti-allergy medication, vaccines and immunotherapy is limited, and greater urgency is needed in giving devolved primary care trusts money that is ring-fenced for allergy therapy.

I wish to mention the Kennel Club and dogs. The ability of dog owners to comply with their obligations under the Animal Welfare Act 2006 to provide their dogs with off-lead exercise has been compromised by the introduction of dog control orders under the Clean Neighbourhoods and Environment Act 2005, particularly where no alternative provision has been made. The Kennel Club believes that to date at least 120 councils have implemented dog control orders, sometimes issuing as many as 100 orders in an area, although there could well be more. Research shows that the biggest factor for owners when choosing where to exercise their dogs is whether they can exercise them off the lead. If that is not possible locally, more than 40 per cent. would drive elsewhere, despite the detrimental impact on the environment. Department for Environment, Food and Rural Affairs guidance accompanying the 2005 Act states that local authorities should show that dog control orders are a "necessary and proportionate response". In practice, that has been largely ignored as many local authorities have taken the most restrictive approach. Furthermore, although local authorities are required to notify Natural England of any proposed dog control orders on access land, very few appear to have done so.

I end with some good news about Southend council. I am delighted to say that the Audit Commission has given it a three-star rating; that means that it is a local authority that is continuing to improve, under the excellent leadership of councillors Nigel Holdcroft and John Lamb and the chief executive Rob Tinlin. All in all, and given the challenging economic backdrop, Southend council is doing extremely well. I join others in wishing everyone a happy, healthy Easter.

2.41 pm

Mr. Eric Joyce (Falkirk) (Lab): Last week, I read a test that those who want to live in the UK and take UK citizenship have to pass. At a meeting of my constituency Labour party, we discussed whether we could answer the questions ourselves. I bought a little book with all the questions from the Portcullis House bookshop. Actually, some of them are not that easy; some are quite tricky.

One of the questions asks about the role of a Member of Parliament. I take it that the answer in the book is the one in the official documentation, although the

[Mr. Eric Joyce]

book may be wrong. The answer given was that he—or she, indeed; I am sure that whatever term is used is gender-neutral—

Chris Bryant: I am sure that it is.

Mr. Joyce: I am, too; I am sure that that has not been missed. The answer was that Members of Parliament meet their constituents and raise issues in Parliament. There were also a few other subsidiary points about the things that Members of Parliament do. However, the book did not say that we legislate; it mentions nothing about legislation, which strikes me as the oddest thing.

I have been here for eight years. I am not the most experienced Member, but I have seen things happen and how different Members do their jobs. It seems to me that the only statutory function of a Member is to legislate. All the other stuff that we do is a matter of local style, and we do it all in different ways. Some Members have a lot of contact about council issues, while others tend to leave that to councillors. It depends on the local political context. The single thing that we do is to come here to legislate in what we think is the interest of the common weal, if I can put it in that rather aggrandised way. That is primarily what we are here for. All the party politics and so forth come on top of that; they are important, and we all have our philosophical predispositions in that respect. But the most meaningful stuff, which I like to get my teeth into—I mean constituency cases, which we all have—is that which has a direct bearing on current legislation, for good or ill. When I say "legislating in the common weal", I do not always mean our producing new legislation; sometimes it is not a bad idea to get rid of legislation when it is unnecessary.

I shall tell a little story. Recently, I came across a case that gave me a great opportunity to look closely at a tiny area of policy that had a really marked influence on the life of a constituent—indeed, probably several thousand women in Scotland, as it happens, were affected by this legislation. A woman, who shall remain anonymous, came to my constituency surgery. I cannot remember what the original issue was, but as I was ushering her out of the door, finishing my cup of tea, she said, "It would be good if you could help me with that, because I lost my child benefit last year when my child started at the further education college." I asked her to run that by me again, because for other reasons she had already explained that she had a child who had left school and was in her second year of a course at the local FE college. The child was 17, and the woman had lost her child benefit.

All Members will be pretty aware of what the child benefit regulations are, because lots of constituents come to us with different issues relating to them. It was immediately obvious to me that there was something very peculiar about her losing her child benefit because the child was in further education. The general principle of child benefit, which is a universal benefit, is that parents are given assistance, regardless of income level, in bringing up their children until they are regarded as adults. Generally speaking, under the regulations drawn up by the Treasury, someone under 19 and not in advanced education—not at university or an equivalent, or doing an HND, which is just below university level; in higher education, essentially—would be excluded. Otherwise, if a child—or a student or person; the word "child" can be seen as pejorative and some 16 and 17-year-olds would not be happy with it—is still under 19 and in school or equivalent, then child benefit applies.

This woman's 18-year-old child was doing an HNC at Falkirk college, which is now called Forth Valley college, it having absorbed the colleges in Stirling and Alloa. Some Members may not be immediately acquainted with that development, but it was very important in my area. It is a fabulous college with a really good recent inspectorial result. I thought that the case was peculiar, so I looked into it. The girl is planning to become a nurse, so she is on a pre-nursing course. She is doing that instead of being in the sixth form, so she will end up with a qualification that is the equivalent of advanced highers in Scotland—the equivalent of A-levels down here. Her mother therefore should not have lost her child benefit—that was clear as a bell to me as soon as she said it.

I checked up on the situation. Some of this stuff is devolved because education is devolved in Scotland, but the child benefit regulations are not. It is a question of having different qualifications across the UK. The relevant institutions—the Scottish Parliament and, I guess, the Welsh Assembly and the Northern Ireland Assembly—have to say that their qualifications are equivalent to certain English ones, and then the child benefit regulations are drawn up accordingly. There is a table in the child benefit regulations, which are drawn up by the Treasury and implemented by the Department for Work and Pensions, laying out non-advanced and advanced qualifications. It is pretty clear-cut. On one side are GCSEs, or standards in Scotland, A-levels, BTECs in England, and so forth; on the other, degrees, HNDs and so forth.

The Scottish HNC is a one-year qualification, full-time, or a two-year qualification, part-time. In England, what used to be called an HNC is essentially a part-time HND, which is a two-year course. An HND is an advanced course and an HNC is a non-advanced course—the equivalent of a BTEC in England. It transpires that the officials in Scotland seem to have missed that detail and agreed with the Treasury that an HNC is an advanced qualification. The DWP therefore assumes that all these students will be going into the second year of their two-year course in colleges all over Scotland, and effectively disqualifies their parents from child benefit.

That has implications. Child benefit is a gateway benefit, so my constituent loses not only child benefit but a number of other benefits. I will maintain her anonymity by saying that she has an unusual benefit that I had never heard of before, which is not constrained by income. In total, this woman was losing about £8,000, not taxed, in the one year when she was wrongly disqualified. That is remarkable. I suspect that in my constituency—I am taking a stab here—several hundred people will be affected. Although most people doing HNCs are returners, quite a few do them as an alternative to sixth form, and they are clearly a BTEC equivalent. People in Scotland are being treated differently as a consequence.

I wrote to the Treasury, fully expecting a big barney, and I have now met the relevant Minister—the Financial Secretary. I hope that this is not too presumptuous of

me, but I think that they agree. They would not have had much of an argument because the Scottish Qualifications Authority—a fabulous, very efficient organisation that my sister works for, so I always have to say that—has a diagram that simply says that the Scottish HNC is the equivalent of an English BTEC. The peculiarity is why, when the Treasury fired this process up in the first place, it was agreed that they were equivalent when a difference should have been spotted.

For the moment, the outcome is that the Treasury is taking a careful look at the matter. I hope that it will make a correction and move the qualification across the line—I think that it is doing so—so that in the coming year, people who were previously disqualified from child benefit and other associated benefits will qualify. There is, of course, the question of what happens to my constituent, whose child will have finished the course by then. The effect will be that several thousand people in Scotland—mainly women, but it is not necessarily women who take child benefit—will benefit to the tune of somewhere between £1,000 and £8,000, which is perhaps what my constituent would have received, in one financial year. That is a significant bunch of cash, and it depends on a tiny detail. I cannot really blame the Treasury because lots of stuff is going on, and there is a lot of complexity in the vastly important bits of legislation it is dealing with.

Reflecting on my laborious entry into this position, given the generous amount of time we seem to have available—

Chris Bryant: You don't have to use it.

Mr. Joyce: My hon. Friend says that I do not have to use it—

Helen Goodman (Bishop Auckland) (Lab) *indicated dissent.*

Mr. Joyce: I note what both of my hon. Friends on the Front Bench are saying, and it is not necessarily the same thing.

What I was banging on about was this: in this place, one can do a lot as a Back Bencher, looking at legislation and picking things up instinctively. If something seems as if it is not right, quite often it is not. Often that is just the way it is; we do not get perfect solutions to everything. Constituents may come along and say, "That person gets a certain benefit, and I do not. We are on either side of a dividing line—why is that?" It is not really possible to say, "There is a continuum, we have to draw the line somewhere, and that is just the way it is." The most difficult thing to say to a constituent is often, "I know that it's not really fair, but that's just the way it is. I am not saying, "Life's not fair", but sometimes, by definition, legislation will be a bit clunky, and there will always be marginal cases that are unfortunate, which we cannot do anything about.

In this case, however, we could do something about it. I think that the outcome will be fine, but when I reflected on the meaning of the case from a political perspective, I saw that something else was going on, apart from the fact that the Scottish civil servants had apparently responded badly. It did not seem to happen at the political level; as far as I can see it happened because of an official's error in Scotland. I do not think that it was just a case of someone being slack.

There is a different mental process going on in Scotland at the moment. I am not obsessed with the whole devolution/independence/non-independence nexus but it is interesting to see how civil servants in Scotland operate differently in the new political context, and that is not necessarily healthy. Recently, I had to write to the Scottish Executive to inquire about some detail in this case. It is purely a constituency case—it has no party political basis, and it would not bother me if it had. I am quite keen that the Government should change the rules, and if they do not, I will continue to say what I am saying now. I wrote to Historic Scotland, staffed by civil servants, and I got a super, professional response from the experts on the ground. They are the experts in the nexus of planning, building, history and all that stuff. Those experts are ultimately employed by the Scottish Government, with a link to the UK Government. The civil servants there engaged with me—they said that they did not make the decisions, but explained how the process worked and the sort of the thing that could be expected. They explained how people would logically respond and gave their views as experts, emphasising that Ministers might not take the same view and so forth. I therefore got a good steer from the professionals in Historic Scotland—the response was first class. I met them and they took me through the stuff. Ultimately, they are civil servants and they work essentially for the Scottish Government, not the UK Government, although there is a clear link.

That was contrary to my other experience. I do not blame civil servants for that—it is the culture and the way in which they have to work in Scotland now. I used nursing as a way into the problem. I could have used engineering, but I chose nursing because many people doing the HNC were doing the nursing version and then going into nursing education. The scheme is a combination of policy, knowledge of education, especially higher and further education, and so on, so the people who pulled it together are essentially the civil servants and experts who work under the auspices of the Scottish Government. Sometimes they work for agencies and sometimes as conventional civil servants in a conventional Department.

I wrote to a civil servant, explaining that I had a problem and that I was not sure whether I had the right end of the stick, and asking for a heads-up or general idea of whether what I said cohered. I phoned initially and got a call back saying that the relevant official would ring me, perhaps before the end of the day. However, instead, I got an e-mail saying that there was some concern that I was a Member of Parliament rather than a member of the public so the query had been referred to the official's boss. It became clear through a series of e-mails that those—doubtless excellent—civil servants were afraid to have any communication with a Back-Bench Member of Parliament who was making inquiries about a legitimate constituency case, with no party political intent. I appreciate that it is difficult for people to make that judgment, but I was putting a fairly technical argument, and it appeared easy for a person with a good bit of knowledge about the subject to give a professional opinion.

I ended up getting a letter or an e-mail from someone more senior in the organisation who said that civil servants were not permitted to communicate with Members of Parliament. Even worse, I was told that if I wrote to

[Mr. Joyce]

the Minister, the civil servants would send me a description of the procedures in Scotland. I was in a position whereby, as a constituency MP, I could not ask the experts for an opinion. I was not asking about procedure, because that is a matter of wiring diagrams and so forth. I knew the procedure like the back of my hand—that is how I perceived the problem in the first place. However, as a constituency MP in Scotland, I could not ask the Government a technical question and get a technical response.

The difference between the two examples, which I have given at some length, is that Historic Scotland is an agency in its own right. People can describe it better than me, but I would say that, although it is an agency and therefore works for Ministers, it has self-confidence as a professional body with its own professional integrity. If people ask it questions, the staff will give their professional opinion, while stressing, "You can quote me if you want but I might be wrong or people might disagree." They are confident in giving their professional opinions. However, there are other parts of the civil service in Scotland, which are much more sensitive and work at the direct command of Ministers. Unlike civil servants in Departments here of whom I have asked technical questions, those in Scotland appear to have been told not to speak to Opposition Members of Parliament. As a constituency MP, trying to get at something to which there is no corollary here because the expertise is in Scotland, there appears to be significant dysfunction.

Sir Robert Smith: Is not it the convention here that we do not talk directly to civil servants, except with the permission of the Minister for whom they work? Indeed, that can throw light when my right hon. Friend the Member for Gordon (Malcolm Bruce) dealt with the fridge directive. Members of the European Parliament got access to civil servants and could make clear to them the approaching disaster, but the Member of Parliament who dealt with the subject here could not have that direct access.

Mr. Joyce: The hon. Gentleman may well be correct—I am sure that he is; he has been here longer than me—but if he is, I was not aware, because I do that all the time. All sorts of people are experts in their field, but if we cannot talk to them, we simply cannot get knowledge about a particular situation. If I wanted to know something obscure about traffic regulations or something like that, I probably would not write to the Minister. *[Interruption.]* I can see my hon. Friend the Deputy Leader of the House on the Front Bench looking like I should write to Ministers.

Chris Bryant: I am not looking like anything.

Mr. Joyce: My hon. Friend moved as though he was looking in a particular way, but from here I could see only his finely honed pectorals heaving, which I probably misinterpreted.

In any case, in the example of MEPs that the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) mentioned, the corollary of us speaking to local government officials may be MEPs talking to sovereign Government officials. Where it will clearly not be politically embarrassing, there will be all sorts of situations in which common sense says that it is useful to pick up the phone and ask someone who is a technical expert a question. I find it extremely helpful to pick up the phone in that way where there are technical issues, although not in party political cases—one would always deal with Ministers in that way where something was sensitive, and I would not expect to put civil servants on the spot in any sense. An example might be local jobcentres, the immigration service or the various help lines, where we basically speak directly to civil servants. I will speak to local jobcentre officials, Child Support Agency officials or immigration officials regularly, and that works extremely well. There are no party political issues at stake: I will just be looking after the interests of a constituent.

Having waxed orchestral about that issue, perhaps I could start to draw to a close. *[Laughter.]* Or perhaps not.

Chris Bryant: No, perhaps.

Mr. Joyce: Perhaps. Let me draw together the strands of that extensive description of HNCs and education in Scotland. There is tremendous scope, if we look carefully at legislation, to see little niggles here and there that we can tidy up. If we tidy them up, sometimes that will have significant effects on constituents. My phase 2 argument is that there seems to be a bit of a dysfunction in Scotland when it comes to MPs gathering information—we gather it anyway; we just gather it by a different route—and talking intelligently to officials. The dysfunction seems to exist in those Departments that are under direct command and control, as opposed to being among the professionals, who have personal self-confidence and perhaps more a sense of professionalism, and who will say, "This is my professional opinion." That is increasingly absent among the experts in certain parts of the Scottish Executive.

May I wish everyone an enjoyable Easter, including you, Mr. Deputy Speaker?

3.3 pm

Sarah Teather (Brent, East) (LD): I am pleased to have an opportunity to speak in this debate before the House rises for Easter.

Last week, Brent Friends of the Earth, my local branch, held a number of screenings of the film "The Age of Stupid". If hon. Members have not seen the film, I strongly recommend that they go and see it. It is a powerful film, campaigning for action on climate change. The film features Pete Postlethwaite as an archivist in 2055. He is pictured as the last man alive in an archiving centre somewhere off the coast of Norway, looking back at films from 2009 and asking why we did nothing to try to halt climate change when we had the chance. One of the people in the archive films asks whether people will look back and think that we were living in an age of stupid, when people were stupid not to see what was staring them in the face.

As the G20 meets today, having bumped climate change off the agenda, I cannot help but think that we almost certainly do live in the age of stupid. Not only has the G20 bumped climate change from the agenda, with the decision to look at it at the Copenhagen conference later this year, but it will have failed—at

least I expect that it will have failed; we await the Chancellor's statement later this afternoon—to link the fiscal stimulus that so many countries are arguing for with the green economy. That most certainly is a very stupid thing indeed.

Mr. John Randall (Uxbridge) (Con): Does the hon. Lady not agree that the Government can have no credibility at all on climate change while they persist with their ridiculous plans to enlarge Heathrow airport with a third runway and a sixth terminal?

Sarah Teather: I completely agree with the hon. Gentleman. My constituency, along with his, will be affected by increased noise as a result of the expansion of Heathrow. I might well return to that point later.

It is as though we are trying to compartmentalise climate change into one conference and one meeting, and to turn it into something that can be discussed only at that meeting. By taking it away from the economic reform agenda, we are encouraged to think of it as a special case that we come together to talk about and which we forget about as soon as we leave the meeting. In so doing, we demonstrate that we have failed to grasp the seriousness of the problem that we face.

The issue in that film that stood out and left the most lasting impression on me was the story of the young Nigerian woman, Layefa Malini, who wanted to become a doctor. She lived in the Niger delta and suffered the consequences of the oil harvesting, the pollution and the poverty in the area. She told of the challenges in her life as she wrestled with the problem of putting together enough money to enable her to go off and study. She described the impact that that had on her, and her choice to give up fishing in order to sell oil illegally just to make enough money. That story left me with an overwhelming sense of how we live in excess here, and of how much poverty there is elsewhere in the world. That sense of injustice struck a chord with me, as did the impact of climate change on the poorest people in the world.

We often talk about climate change as an abstract thing, a scientific debate involving international jargon and diplomacy. Frankly, most of us cannot get a handle on it. I have a degree in natural sciences, although if I am truly honest, I must say that much of the science involved in the climate change debate leaves me cold. However, the image of the poorest people in the world, who are likely to suffer the consequences of what we are doing, strikes a chord with me. They are also likely to suffer first and most profoundly. I suspect that that would be a galvanising force for most people if they really understood the consequences of what we are doing to the poorest people in the world.

Climate change will affect us all, and it has no respect for international boundaries. It is the poorest people in the developing countries, who are already held back by a chronic, sustained lack of resources and power and by poverty that limits choice and security, who will first, and most profoundly, experience the consequences of what we are doing here. Developing countries are the most vulnerable partly because of their geographical position and partly because so much of their population is reliant on rain-fed agriculture. Also, many of those people live in appalling living conditions.

Poverty exists regardless of climate change, but climate change is already creating a vicious cycle that will rob people of their ability to improve their own situation. It threatens to wash away much of the progress that we have made towards achieving the millennium development goals. This ought to be a matter of serious concern to the Government, as they have made the delivery of those goals a key plank of their own international priorities, but that is being undermined by our failure to tackle climate change in a serious, sustained way.

Natural disasters already happen more often in developing countries. If we look back at the natural disasters that happened in the 1990s, for example, we can see that in the eight years between 1990 and 1998, 94 per cent. of the world's 568 major natural disasters happened in developing countries. That ought to give us pause for thought. People in those countries are more vulnerable to their effects because they often live in very poor-quality, overcrowded accommodation. They are susceptible to losing their homes, and their water sources tend to be polluted. It is not only the major disasters that have an effect, however. The more subtle changes will also have devastating consequences. Crop yields are predicted to fall by as much as 50 per cent. in some African countries by 2020 because of the impacts of climate change.

The story of Layefa Malini, which I mentioned earlier, struck a particular chord with me because I visited Nigeria last summer to work on a project with Voluntary Service Overseas. I visited the capital Abuja while I was working on an education project. I then travelled north to Kaduna and Kano and south into Enugu, so I saw people living in very different conditions. We moved out to visit some of the rural areas outside Abuja and saw the problems people faced because of lack of water. People living in those villages will be particularly affected if rainfall decreases and they are unable to get clean drinking water.

Kano, one of the most northern places in Nigeria right on the border up near Niger, has a very arid climate, but it is also prone to flooding during the rainy season. Niger has already experienced the devastating consequences of desertification as the Sahel moves further into areas occupied by people. Many people have been forced to flee into Nigeria, looking for a method of making a living. North Nigeria experiences the consequences of displaced people moving from Niger into Kano and neighbouring areas.

I saw the consequences of flooding during the rainy season when I was in Kano. Along with many other areas in the developing world, Kano does not have a sewerage system. Sewage moves through trenches in the road, effectively, sometimes just a few inches below the path people are walking on. It does not take much water to wash that sewage out into people's homes, on to footpaths or into the road. When it rains in Nigeria in the rainy season, it really rains. People quickly find themselves walking through one or two feet of water, all of which is sewage-infested water that transmits disease, making it miserable for people to live with. Drinking water, in as much as there is any, becomes quickly polluted with sewage and rubbish.

One particular problem I noted in Nigeria was the failure to deal with rubbish in a sensible way. I am afraid that landfill is often actually open rubbish in the streets, and flood water washes toxins from rubbish straight into any drinking water. Even if the water is boiled, it is often still too toxic to drink.

[Sarah Teather]

The young woman shown in "The Age of Stupid", Layefa Malini, lived in the Niger delta region—an area we expect to be particularly affected by coastal flooding. It will be even more difficult for people living there to eke out a living as their farm lands become less and less inhabitable. It is not just Nigeria, as Ethiopia and Kenya have already experienced the devastating consequences of drought. Those two countries are predicted to be the first in line for climate change impacts, with lack of rainfall and effects on food security.

In Africa, the intergovernmental panel on climate change predicts that water stress will affect between 75 million and 250 million people by 2020, which will rise to 350 million to 600 million by 2050 if we do not take dramatic action on climate change. Of course, as I said, changes in agriculture lead people to change where they live. Many people living in rural areas find that they need to move into towns and cities in order to make a living. It is often young members of a family who are asked to leave for the towns and cities to try to send money back. Charities working in Cambodia have said that that can have a real impact on disease, with many people previously living in rural areas—perhaps mainly the young—moving into cities, but then returning with HIV or other infections, which are brought back into the rural areas. Clearly, the impacts of climate change are much more profound than just a bit more rain or heat.

We can also expect dramatic changes in conflicts as the competition for resources becomes more and more acute. In 2007 and 2008, because of rising food prices, we witnessed food riots in more than 30 countries. International Alert has estimated that in more than 46 countries, which are home to some 4.6 billion people, climate change, in conjunction with existing problems around economic and social issues, will create a very high risk of violent conflicts.

The consequence will be increased migration, internally displaced families, and families moving across international borders, most likely to other developing countries that are ill equipped to deal with an influx of poor people. We think of refugees as a problem that we face here, and of course the Government have been keen to drive down the number of people trying to claim asylum in this country, but if we were really serious about wanting to reduce that number we would make a more serious effort to tackle the causes of poverty and conflict, and to prevent conflict from arising in the first place. It is not our country that bears the burden of looking after refugees, but other, poor countries that are ill equipped to do so.

Mr. David Drew (Stroud) (Lab/Co-op): Will the hon. Lady add northern Nigeria, which I have visited, to her list of causes? It is a maelstrom in the conflict between the Christian and Muslim world. All too often, people who should know better use every opportunity to cause such conflict. Many communities that have lived together for generations are now being forced apart by religious discrimination.

Sarah Teather: I agree. The area around Jos in particular has experienced conflict between Christian and Muslim communities. In Kaduna, another place that I visited, the two communities live together. Relations can be very tense, and if the difficulties involving food and water resources continue to increase, that will only heighten the tension. It is not only religious tension that is at the root of the problems. Religious tension is often an excuse, or the label given to something much more profound relating to land, food, money and water. It is certainly true that Nigeria has had its difficulties, and it is a country that I know, but many other countries face similar problems.

We may have only a few years left before atmospheric concentrations of greenhouse gases reach a tipping point, and we find ourselves on an irreversible journey towards dangerous climate change. We cannot underestimate the importance of taking leadership on that issue now. The challenges that we face in tackling the financial crisis should provide us with opportunities to tackle climate change in a lasting way. Some of our present economic and environmental problems may have the same solutions. If South Korea can produce a fiscal stimulus of which 80 per cent. concerns the green economy, we must ask ourselves why on earth we cannot do the same. It is not too late for us to cancel the VAT cut, and to put the money saved into insulating homes, schools and hospitals and building new zero-carbon homes. That would enable us to tackle fuel poverty, house the homeless and do something serious to deal with climate change for the long term. Instead, we have given a small amount of money to a few relatively rich people who want to buy expensive goods such as flat-screen televisions, which seems petty given the problems that we are facing.

It is not too late for us to match our reform of the banking sector with carbon reporting. If we are not prepared to do that, at least we can influence our own banks—the banks that we now control—to prevent environmentally damaging investments in tar sands and deforestation. We should try to use the control that we have over many of the banks to build a new economy that will itself build for the future, rather than simply trying to replace the broken problem that we already have.

It is not too late for us to take a lead by cancelling damaging environmental projects such as Heathrow, or unabated coal power stations such as Kingsnorth. It is not too late for us to take a lead on renewables, and to adopt a credible strategy for the meeting of our 2020 targets. I fear that the Government have given up, feeling that it is too late for them to do anything before the next general election, but they have an opportunity to leave a legacy regardless of the result of the election, and I wish that they would take it.

The G20 may have junked the environment this week, but we have time before Copenhagen in December to lay the groundwork for a serious climate deal that could make a huge difference. We need our Government to take a lead on that now, and to be at the forefront of climate negotiations. We must have a serious commitment to cut emissions by at least 30 per cent., not the 20 per cent. with time off for carbon trading that came with the European Union deal. We must also put developing countries' concerns at the heart of the climate change deal. We have grown rich in part by polluting. We must now repay that debt to the developing world by financing and sharing technology so that countries can access clean and green energy and develop in a sustainable

way, and we must help developing countries to adapt to the damaging consequences of climate change that will, unfortunately, happen regardless of what we do.

We need to create space to encourage and enable communities to come up with their own solutions. That is the case in both developing countries and here in the UK. We need the Government to take a lead, but this is the responsibility of all of us, and good ideas often come from communities, rather than just from Government. I am thinking of one example in Brent in particular: a woman called Lorraine Skinner felt so frustrated about the consequences of climate change and the fact that people were not prepared to act that she designed a new system called "green zones", which has now been adopted throughout Brent. She went door to door and talked to her neighbours on her road. It is a relatively small road, but by her efforts she has managed to raise dramatically the amount of recycling and composting that takes place on it. She has also given people tomato plants and persuaded them to plant them. That may be a small thing, but sometimes it is small things that actually change people's attitudes—such as on growing their own food or feeling that they can take action. A similar small thing has been done in Camden, where people have been encouraged to plant fruit trees in the middle of their estates. As a result, they feel that they can play a part, and that there are things they can do.

We all have a role to play, but I hope the Government will consider the key role that they have to play, particularly before the Copenhagen conference later this year. We do not have time to waste waiting for another international meeting. We must not junk this issue and wait until a later meeting to address it because we cannot face tackling it now.

3.22 pm

Shona McIsaac (Cleethorpes) (Lab): I sometimes wonder whether I have done something to upset the gods of democracy—whom we can rename the Whips Office for the purpose of this analogy—because today is my wedding anniversary and I find myself in the House of Commons Chamber. Also, tomorrow is my birthday, and last year this debate fell on my birthday. It therefore appears that I am not allowed out of this place to enjoy such events.

There are, however, several issues that I want to bring to the attention of the House and Ministers in advance of the Easter recess. The first of them is a very local issue: the Humber bridge. Indeed, most of the issues I shall raise will be extremely parochial, in contrast to the international themes raised in the speech of the previous contributor, the hon. Member for Brent, East (Sarah Teather).

The Humber bridge links my Lincolnshire constituency with Yorkshire on the north bank of the Humber. At the beginning of March, there was an inquiry into a proposal to increase the tolls to cross the bridge by 20p each way. I presented evidence at the inquiry against the toll increase, as did my hon. Friend the Member for Brigg and Goole (Mr. Cawsey) and the hon. Member for Beverley and Holderness (Mr. Stuart). More Members of Parliament would have given evidence had we not been the only three whom the Whips Office allowed out. However, although only three MPs from the region appeared, we put our case forcefully and stridently on behalf of our constituents.

Everybody in my area has opposed the increase in the bridge tolls. As I am sure Members can appreciate, in any economic climate, let alone the current one, people do not welcome having such an extra pressure on their purse. People from across the political divide were saying that to the inspector. However, my concern and the reason I want to raise the issue today is that the public inquiry was at the beginning of March, has not reported yet and obviously has to go to the Secretary of State for Transport, so constituents have been left in limbo, not knowing whether the inspector will approve the increase in the tolls.

This issue is vital, because there is an ongoing campaign about the tolls to cross the Humber bridge. The four unitary councils in the surrounding area came together and commissioned research to show the tolls' economic impact on our area. Everybody had said anecdotally that the tolls were a barrier to economic development and growth. However, the report showed that empirically, so we now have very strong evidence to enable us to present to Ministers the case that the tolls were holding back the economic development of our area. The campaign is therefore ongoing. Putting aside the 20p increase, which everybody is against, people generally want the tolls reduced to get rid of this barrier.

Three options are available as a way forward. There is a debt from the building of the bridge because the money was borrowed from the public works department. However, despite the fact that over the years the tolls have paid off the original amount borrowed, because of interest the debt keeps rolling on like some huge behemoth and we never seem to be able to pay it off. The campaign is concerned with the Government's writing off the remaining debt owed to the Treasury arising from the money borrowed to build the Humber bridge. As I say, the capital amount has been paid back already from the tolls. However, that leaves the question of the repairs to, and the maintenance of, the bridge, and this is where the options come in.

I was quite surprised by the outcome of the surveys that I conducted on this issue. The first of the three options is to write off the debt and for the Government to take over responsibility for the Humber bridge, paying for all the repairs, maintenance and so on. There would be absolutely nothing left in the way of debt, and free crossings for everybody—wonderful! The second option is to write off the debt and to pay for repairs and maintenance through increasing the council tax. The third option is to reduce the tolls substantially to, say, £1 per crossing, and the money raised could cover the cost of repairs and maintenance.

I thought that the majority of people would go for the "nothing to pay" option, but in fact, most went for the token amount. Some 75 per cent. of people said, "Paying a pound would be okay, and that would cover the repairs and maintenance." Interestingly, virtually nobody thought that it would be an excellent idea to increase the council tax to cover the repairs and maintenance, although there was one person—I think he knows who he is—who suggested that we bring back the ferry that used to connect the village of New Holland with the city of Hull. He was the only person who wanted that.

We presented the case to Ministers through Adjournment debates in the Chamber, but because the inspector has not reported on the 20p increase that the bridge board

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wants to introduce, we cannot bring delegations from the business community and local authorities to Westminster to press the case for reducing the tolls overall. We are, in essence, in a state of limbo.

I hope that my raising the issue today means that the message will work its way through the system, so that whoever needs to know about it realises that we need to take this issue forward, particularly in this economic climate, and that the inspector reports and we can then make progress on our lobbying to reduce the tolls.

What is gratifying about this campaign, which will be ongoing, is that the bridge board, which has been somewhat reluctant in the past to agree with Members of Parliament about tolls, has understood the weight of opinion in the area for reduced tolls; it has seen the empirical research commissioned by the councils showing that there would be substantial economic growth if that barrier were reduced. The board itself has said that it would like to try out, for perhaps a year's trial period, a toll of £1 to cross the bridge. Its view has come into line with that of the people campaigning on this issue, but we cannot make progress on this because we have not yet had the report. I hope that the Deputy Leader of the House will make sure that the right ears hear that particular plea.

Last night, a debate on business rates took place in the Chamber, during which I said that if there are job losses in my constituency, as I believe there will be as a result of this double taxation on certain core businesses in the port of Immingham, the hinterland of the people involved will be cut because of the tolls on the Humber bridge. For someone who has lost their job, the idea of paying more than £5 for a return to cross the bridge will make them think again about applying for a job on the other side of the river. To many of my constituents the whole area on the north bank may as well not exist. The travel patterns were part of the research conducted, and it was demonstrated that the toll was a substantial barrier. People do not cross the bridge to access training, so it is also hindering their opportunities. I feel that it also affects social mobility in our area. I know that people turn down jobs on the other side of the river because they do their sums and work out that they will spend more than £1,000 a year in tolls.

I have just been talking about the toll for cars, but the Humber bridge is one of the only major toll bridges where there is also a charge for motorbikes. The toll for freight is phenomenal and, because of the cost, businesses avoid taking jobs that necessitate crossing the river. That is why it is vital in this economic climate to see whether something can be done to give a stimulus to economic growth in that part of the country. The Government have said that they will do all they can to help British businesses through the economic downturn, and acting on this issue would be an excellent way to give a boost to my part of the country.

I believe that I mentioned my next local issue in a previous recess Adjournment debate; the regulars here will doubtless groan when I mention compensation for former distant water trawlermen again—*[Interruption.]* I hear the Deputy Leader of the House groaning. I am sure that many a burly ex-trawlerman would not take kindly to that type of groan from him. This is a serious issue, because these people lost their livelihoods as a result of a Government decision at the end of the cod wars to refuse the generous quotas being offered by Iceland; their fishing grounds were no longer available to them, they came home to port and they had no livelihood. For years, they campaigned for compensation, and it was only in the late 1990s that that was agreed. Our community greeted that news with great delight. My father was in Iceland at the time as a member of the Royal Navy, doing fishing protection work rather than as a trawlerman. Sadly he is no longer with us, but he always used to say that it was a great injustice that the trawlermen had not received any compensation.

The scheme was introduced and people were paid up to £20,000, but there was a serious loophole. None of the experts or the people on the ground in our community noticed it, but it meant that some people were paid nothing or had their compensation substantially reduced because of what are called breaks in service. If people had a break of a certain number of weeks in a long career, they lost compensation. The scheme was probably set up like that in an attempt to copy the redundancy rules, under which if people work in a factory for 10 years, leave for three months and then come back, they have broken the continuity of employment. But of course in the fishing industry the labour was pooled, and people were given a ship if one was available, so it was a fragmented way of working. Someone might get a job, go away for a few weeks, come back and be off for some weeks. That meant that some people were excluded from the compensation scheme.

We have recently had some success in addressing that problem, and the Government have amended the original scheme to try to put right that injustice. However, we think that we have found another flaw in the system. I hope that we do not go ahead with the rules for additional payments with that flaw. The problem is that the new rules propose that the only people who will be eligible for the compensation are those who applied under the original scheme in 2000. If people applied and they received no compensation or a substantially reduced amount, their cases can be reconsidered. However, in Grimsby the local authority funded some advice workers to help the former trawlermen with their applications, and they told some of the potential applicants not to bother applying because they would not qualify under the rules. So those ex-trawlermen never applied. Only those who applied at the time will be eligible. I hope that that issue will be addressed, because it would be a gross injustice if the new scheme—which was meant to put right an injustice—excluded those people.

The consultation on the scheme still has a few more weeks to run, and I recently had a marvellous meeting with more than 100 former trawlermen to involve them in that consultation. We held the meeting in the national fishing heritage centre in Grimsby, which is a marvellous little museum, and we were able to introduce the men and their families to what is, in effect, their centre. Many of them had not been using the centre. In a lovely gesture by the centre, which also gave me the use of the facilities for free, all the former trawlermen who came that day have been given a free pass to the centre so that they can bring their grandchildren and other relatives and show them what it was like in that industry, which created the great port of Grimsby—Grimsby fish is still known around the world.

My next point is to do with a consultation, again. People will begin to see why I am raising all these subjects today—a feeling of inertia arises when consultations are under way, and when people do not have the answers and cannot move forward until they get them. This consultation concerns the siting of Travellers' sites in North Lincolnshire, one of the two local authorities that cover my constituency. There has been quite extensive consultation, which is now closed, and I submitted comments on behalf of my residents. I know that my hon. Friend the Member for Brigg and Goole and my right hon. Friend the Member for Scunthorpe (Mr. Morley) also commented on the proposals. Of course, we are left not knowing what the result will be or when we will find it out. We need to consider that fact when we have consultation processes or public inquiries. It is all very well to have a statutory consultation period—fine, we can all work with that—but why is there no statutory period in which we have to be told the outcome? That would be my plea, as it would give people certainty that they will get their answers.

I now want to talk a little about school meals in north Lincolnshire, in the Grimsby and Cleethorpes areas. I have campaigned for a number of years to improve school meals. One of my grandmothers was a school cook, who cooked marvellous food. My father was a cook in the Navy, so that is something that is clearly in the McIsaac family blood. We like our food, we like to cook and we want to ensure that everybody else enjoys good food, too.

I have campaigned to improve school meals in north-east Lincolnshire. Sadly, several years ago the council let schools decide whether to keep kitchens or to get rid of them. A number of schools got rid of their kitchens and offered sandwich options or baked potatoes. I campaigned with parents, with the schools and so on, and took the issue up with Ministers. Everybody has been very supportive of the idea of introducing the improvements. Ministers have been marvellous and listened to the case that we presented for funding to bring back the kitchens and put good food back on the menus.

I do not have any problems with that, but then things became absolutely ludicrous. After all those years of campaigning, the Department for Children, Schools and Families said that they were going to be running pilot schemes for free school meals for all primary age children. I thought, "Hallelujah! That is exactly what I have been campaigning on for a number of years." In the current economic climate any saving, even a saving of this nature, will be a real bonus for families. North East Lincolnshire council was invited to be one of those that ran the pilots, but it said, "No". The schools say that they would love the scheme, the parents support the idea and the Members of Parliament think that it would be a good idea, but the council says that it does not have enough money, because the scheme is match funded.

Ideally, I would like the Government to consider running some pilot projects that are not match funded, as that would help councils that find themselves in financial difficulty. My North East Lincolnshire county council is in that position: it was one of the negligent authorities that lost £7 million when it invested that amount in Icelandic banks just days before the collapse.

I am told that that loss has had no impact on the council's decision not to produce the match funding that would ensure free meals for primary school age children. However, the council has other investments and the money is there, so I do not understand its approach. I hope that the Department for Children, Schools and Families can do something to help, either by setting up a fully funded pilot or simply by telling the council to get its act together.

I want to speak about a couple of other subjects, and the first is ministerial correspondence. I shall not name the Department or the particular Minister involved, but I am getting heartily fed up of sending almost fortnightly reminders, especially given that it can take nearly four months to get a reply to my original letter. That is not acceptable. I keep apologising to constituents and telling them, "Sorry, the Minister hasn't replied yet and, yes, we are reminding him," but nothing happens. I also do the other normal things, such as putting down parliamentary questions asking when to expect replies to correspondence dated X, Y and Z, and I get the usual little letter that appears in response, but it is never just a one-off. With some Departments, the process is continuous, and that is wholly unacceptable.

Another problem is that the quality of the response often leaves a lot to be desired, even when I am writing on behalf of pensioners. For example, I once wrote to a Minister about illiteracy and adult literacy, and all I got was a very short reply to the effect that the information that I needed could be found by clicking on a website. I am sorry, but that is not good enough. It is not the sort of response that we should be sending out to constituents. *[Interruption.]* I can see that the gods of democracy—that is, the Whips—on the Front Bench are giving me the evil eye. That probably means that the Chancellor can now come to the Chamber to make his statement. My hon. Friend the Member for Stroud (Mr. Drew) is eager to take part in the debate as well, and I will not deny him his chance.

Finally, I want to talk about circuses. The hon. Member for Southend, West (Mr. Amess) mentioned certain animal welfare issues, and my constituents are not particularly happy that a circus will be coming to Cleethorpes over Easter. There are always protests, and allegations of cruelty to the animals. I believe that the circus has managed to get hold of some elephants this year, and I know that my right hon. Friend the Member for Scunthorpe spoke about this circus when it visited his constituency some weeks ago.

Like my hon. Friend the Member for Stroud, I was a member of the Committee considering the Bill that became the Animal Welfare Act 2006. My memory may be affected by age—it is my birthday tomorrow, so there is another year to add on—but, unless it has gone completely, I seem to recall that the Government said that regulations or something would be brought forward to stop the exploitation of performing animals in circuses. Years later, however, the circus is still trundling up every year. The animals are still there and every year there are allegations of cruelty. In this day and age, surely we can resolve the issue once and for all. That type of entertainment belongs in the past.

With that, I wish everybody a wonderful Easter break. I am not in competition with the hon. Member for Tiverton and Honiton (Angela Browning) in this Adjournment debate. She always extols the virtues of her constituency and invites Members to spend some of their holiday there. Tiverton is lovely—my great-granny was from there. I have no qualms about people going to

[Shona McIsaac]

Tiverton, but I invite Members to the Lincolnshire coast, to see Cleethorpes and the wonderful delights of that part of the country—but not the circus.

ROYAL ASSENT

Mr. Deputy Speaker (Sir Michael Lord): I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified her Royal Assent to the following Measures:

Ecclesiastical Offices (Terms of Service) Measure 2009

Church of England Pensions (Amendment) Measure 2009

Easter Adjournment

Debate resumed.

3.51 pm

Mr. John Randall (Uxbridge) (Con): I apologise to the House for not being in the Chamber at the beginning of the debate. I always like to attend the whole of these debates—I think I qualify as one of the regulars—but unfortunately other matters took me away earlier.

It is a great pleasure to follow the hon. Member for Cleethorpes (Shona McIsaac)—also one of the regulars. From time to time, she mentions her birthday. I cannot believe that the years go past so quickly. She once described herself as Minnie the Minx. It might be said that she still has the youthful qualities of Minnie the Minx, but she also has the statesmanlike qualities of a Government Back Bencher.

The hon. Lady was kind enough to refer to the Whips as the gods of democracy. I realise that of course she was referring to the Government Whips, who are indeed very much gods. I am an Opposition Whip. We are probably from the underworld, but it is a great delight to address the House from the other side of the River Styx about some of the issues that affect my constituents, and more widely.

During the Christmas Adjournment debate, I mentioned that my mother was in hospital. Members on both sides of the House were kind enough to wish her all the best. It was good to know that people took an interest and she has certainly recovered. It was useful for me to see the NHS in action.

I hope this does not become a regular part of my speeches, but my mother, who is rather like me and of an awkward nature, has decided that she should feature every time we have an Adjournment debate. At the end of last week, she was readmitted to Hillingdon hospital, with another complaint—she has broken something in her ankle. Once again, my first-hand experience of the accident and emergency department at the hospital has been only good. Even my mother has to admit that the food she is receiving in hospital, which last time she was kind enough to describe as pig swill, is now perfectly acceptable, although as she is in bed most of the time she does not find it very easy to eat. However, if I am lucky enough to get home this evening in time to visit her in hospital, I shall do what I can to help her.

Sadly, my mother has been disabled for some time. Tomorrow, the other Hillingdon MPs and I will be speaking to DASH—the Disablement Association Hillingdon. One of the problems that the group has been made aware of is the accessibility of public transport to disabled people. From first-hand experience with my mother and other people, I know that accessibility has improved in recent years but a range of problems remain to be addressed. Strangely, we do not really understand such problems until we experience them; we may do so through somebody else, as I did, but some people unfortunately experience them for themselves.

Some of the problems are not apparent straight away. Request stops for buses are an obvious example. I have to say that until I came across the issue, I would not have thought that it was a problem. I now realise—it is quite apparent—that people who are partially sighted or blind have a real problem; they do not know when a bus is coming. I am not sure whether request stops comply with some of the disability laws. There is also

evidence that some bus companies give their drivers contradictory information on whether people are allowed to bring mobility scooters on to the vehicle. That causes many problems and much distress to some people, because some people with mobility scooters are allowed on and some are not.

There are differing reports about problems to do with audible announcements. I have to say that there have been vast improvements in public transport. I do not think that we can deny that, but there are still problems. Some people have suggested to DASH, and to me, that the audible announcement service is inconsistent, and that sometimes drivers switch off the facility. Even if one is fully in control of all one's faculties, sometimes it is difficult to know where the stops are, but if a person has a disability of any sort, that information, which can now be supplied, is invaluable.

Members often hear of cases in which the ramp allowing people in wheelchairs or of limited capacity on to the vehicle is not working properly. The bus operating company and the people in charge will say, "No, the ramp is there," or "The information is there, and it should be used." Sadly, the reality is that that is not always so.

I now come to an issue that I have often raised, but have not mentioned for a little while. However, I make no apologies for raising it again now. A couple of days ago, it was the 10th anniversary of the beginning of the NATO bombing of Yugoslavia. Unfortunately, I was not able to attend an event that was held here; I was visiting my mother in hospital. However, I am pleased, in some ways, to report that things have moved on. I have attended several meetings, in this place and elsewhere, that have shown that this country, and what is now Serbia, now have a much more positive attitude about the way forward. To a great extent, that will be through the European Union. Enlargement is a whole other subject, however, and I shall not go into it today, but I do want to raise an issue of great importance.

It is often the victors who write the history, and some things are not always mentioned. An investigation was initiated by The Hague tribunal in 2003 and 2004 concerning crimes committed against Serbs by Albanians, who forcibly took their vital organs and traded them. The case concerned just under 1,300 Serbs and Roma people who disappeared during the conflict in Kosovo. The evidence, mentioned in Carla Del Ponte's book, tells how those Serbs and Roma were removed from their homes, taken forcibly to a place in northern Albania called Burrel, and had their organs removed in a psychiatric hospital. People were left dying in horrible conditions, and the organs were sold.

I mention that because when we consider all the conflicts around the world, sometimes it is those forgotten details that we should concentrate on. When we try to get people together to work towards a new order, it is important that crimes and atrocities—committed, no doubt, by both sides—are treated equally. Therefore I ask the Deputy Leader of the House whether he will draw the issue to the attention of his colleagues at the Foreign and Commonwealth Office and report back on the Government's position.

Of course, one of the features of Easter time is—I speak very passionately about this—the sales in retail department stores. I make no apology for that, because at least this time the Government are hoping that consumers will elevate the economy by spending money.

Sir Nicholas Winterton (Macclesfield) (Con): At Randalls.

Mr. Randall: My hon. Friend mentions the name of a leading store in a certain part of my constituency, but I am not thinking only of that. It behoves us all to go out and spend money. I disagree with the Government about the VAT cut, but I shall ignore that and say that I am sure that throughout the country there will be bargains aplenty. *[Interruption.]* The Deputy Leader of the House is right; sometimes, I get carried away with my own marketing. Seriously, retail outlets—and their suppliers—are suffering, like many other businesses, from the lack of credit insurance. Businesses in my constituency have repeatedly told me that that is as important as anything else. I hope that when we come back after Easter, I will have the opportunity to raise that issue.

The hon. Member for Brent, East (Sarah Teather) mentioned "The Age of Stupid"—a film, I believe, although it could describe my past few years in Parliament. I will not say why; it might be personal or it might have something to do with the other side. The hon. Lady mentioned climate change and, in an intervention on her, I mentioned the significance of Heathrow and our problems with the Government's plans for its expansion. That issue will not go away until the glorious day when the Conservative Government take over and those plans are thrown into the rubbish bin for ever.

I also want to make a point that follows on from a speech that I made yesterday in Westminster Hall. I am concerned about a recent event in which a photographer was taking photographs of the houses in Sipson—the village that will be destroyed by the Government's bulldozers—and the police intervened, allegedly using terrorism laws to explain why the photographs should not be taken. Further to that, my constituency neighbour, the hon. Member for Hayes and Harlington (John McDonnell), was stopped and searched in Birdcage walk; he made a point of order about it here. I am concerned about the way things are going with regard to a lot of these powers. We should take a step back. We are worried about terrorism, and rightly so, but our individual liberties should not be taken away from us so easily.

Others want to speak; this is always a popular debate, and I do not want to take up a lot of time. However, the hon. Member for Cleethorpes, the birthday girl, mentioned tourism. Uxbridge and the London borough of Hillingdon in general are excellent places for people to come and stay; they can visit the capital and will not be far away from the countryside. However, the arrangement will be reciprocal. I am going to Norfolk for five days, and it will be the highlight of my year, as I will be able to get away from it all. The great thing is that mobile phones do not work terribly well where I am going, so I will not be bothered too much.

On a final note, next week I am taking part in a sporting event—that may come as a shock to many colleagues. I am saying this because I do not know whether this will be the last speech that I make in this House. I expect to be on the field at Twickenham on behalf of the Lords and Commons rugby team. In case there is an imminent by-election, I would like to thank all the Members of this House, all the Officers of the House, the staff, the civil servants who help us, and all my colleagues. I have had a great time, and I could not think of a better way to go: I wish you all a happy Easter.

4.5 pm

Mr. David Drew (Stroud) (Lab/Co-op): It is a delight to follow the possibly soon-to-be-late hon. Member for Uxbridge (Mr. Randall); it has been a pleasure to know him. I did not think he wanted another by-election in Uxbridge, but if that happens we will not dance on his grave but will remember him in the most appropriate manner.

I know that other hon. Members want to speak—I can see that my good friend, the hon. Member for Macclesfield (Sir Nicholas Winterton) wants to say a few words—so I shall try to keep my remarks a bit shorter, even though I was told earlier to make them a bit longer. Somewhere between the two, I shall try to make a particularly apposite and relevant speech. I wish to raise four issues: three briefly, but one at greater length as I am very concerned about it.

The three brief issues are, first, something on which I have campaigned with other hon. Members, namely wage compensation for those in the automotive industry to go along with training packages; secondly, the demand for a supermarket ombudsman; and, thirdly, some of the issues to do with energy efficiency and fuel poverty. I want to talk at slightly greater length about school staff suspensions, which is irking me at the moment.

The issue of wage compensation has been well-rehearsed by my hon. Friends the Members for Chorley (Mr. Hoyle) and for Birmingham, Northfield (Richard Burden). It affects my constituency, and I hope that the Minister will take on to other Ministries the plaintive plea that we must do something about it as a matter of urgency. Two of my local companies, Delphi and Renishaw, have staff on short-time working. With the help of several agencies—the regional development agency, Gloucestershire First, Business Link, and the learning and skills council—those companies have got together some effective packages for training to use some of the spare time that people have to ensure that when the recession ends, let us hope sooner rather than later, they will be ready to deal with the upsurge in demand. These are state-of-the-art companies—the best of British manufacturing and the future of British manufacturing.

I could have gone on at great length about the anti-industrial culture of this country, citing the book by Martin Wiener written in 1981—"English Culture and the Decline of the Industrial Spirit: 1850-1980", which I studied at considerable length. That culture has been here for too long. We have seen our finances crushed, and that is all too obviously why we need our manufacturing industries and need to redress the balance. It would be a tragedy if we were to lose these companies. I do not think that that will happen, but they will be seriously damaged if we do not bolster them and support them.

Like other Members, particularly those I mentioned, I believe that the Government have to move quickly on wage compensation. They should recognise that these companies and individuals are willing to invest in the future, and it is right and proper that the state should do the same given the desperate times in which we live. I have had conversations with the Secretary of State, with the Minister of State and with the Minister for the South West, who has kindly agreed to meet representatives from the two companies as a matter of some urgency. It is right and proper for those of us in this House to continue to make the Government see that they have got to move on this issue.

The second issue is one on which I have formed an alliance with the hon. Member for St. Ives (Andrew George), who sadly is not in his place, calling for the delivery of a supermarket ombudsman, which has been recommended by the Competition Commission. Sadly, it is opposed by the majority—though not the totality—of supermarkets. He has been in the vanguard of the pursuit of this matter—I have referred to him as the witchfinder-general on more than one occasion—and steadfast, which is the measure of a good Member of Parliament. He took the issue up, followed it through and is dealing with the unfairness that has come about because of the anti-competitive and monopolistic nature of too many of our larger supermarkets, and because of what they have done to the supply chain of farmers, wholesalers and customers, who are entirely at the whim of these behemoths—I think that that is the "in" word.

Mr. John Horam (Orpington) (Con): I am interested to hear what the hon. Gentleman says about the supermarket ombudsman, because a large Tesco is opening in my constituency shortly. Does he not feel that part of the problem is the local planning authority, which is often suborned into agreeing to Tesco and allows a store to be built in the wrong place because of the money involved? Is not that a real problem, as well as how the supermarkets behave?

Mr. Drew: It is, and it is a separate issue about which I feel strongly. I only wish that the ombudsman could take on those responsibilities—at least by holding the ring for those who wish to complain about the unfairness of the way in which out-of-town stores are developed far too easily, with all the damage they do to our town centres. The ombudsman's role is clear, precise and easily laid down, and it is up to the Government to deliver that through the Department for Business, Enterprise and Regulatory Reform. They must stand behind the Competition Commission and make sure that the commitments made are delivered. We must not allow the supermarkets to do what they usually do by threatening all manner of legal challenges, and of course they will say that the ombudsman will damage prices and the way in which they operate. We know all too well that they have had the field to themselves for far too long, and there needs to be some rebalancing.

On fuel poverty and energy efficiency, I was tempted to intervene on the hon. Member for Brent East (Sarah Teather) because I agreed with many of the things she said. Her hon. Friend the Member for Somerton and Frome (Mr. Heath) introduced the Fuel Poverty Bill, which sadly did not make progress when it came before the House. Issues were raised about the Bill, but it must come back into play, and it should be part of a reorganisation of what is a good news story for the Government. I am proud of the amount of money we have put into addressing fuel poverty, but we could spend the money more wisely, and make even more impact. That is the basis of the current debt review, but the Select Committee on Environment, Food and Rural Affairs, of which I am a member, is about to publish a report on that topic, so I shall be circumspect about what I say.

We have to pay attention to three areas. First, there is a plethora and confusion of initiatives, which need to be simplified so that the householder is clear about what is on offer, what they should be paying and who is capable of delivering it. Secondly, neighbourhood renewal delivery should be the major mechanism involved, instead

of a pepperpotting of money, which is wasteful and not nearly as effective as it could and should be. Thirdly, we need to recognise that the millions upon millions of hard-to-heat homes that we are left with—where older people often reside—will be more difficult to deal with, and we will need special measures. The cap on the amount of money and the limitation on properties that are more difficult to deal with must be addressed because we cannot afford to have the most vulnerable living in properties that cost enormous sums to heat, which has an impact on our climate.

I shall finish by talking at more length about an issue that has exercised me for much of the last year. I have been wary of mentioning it in anything other than an oblique manner, but I am pleased to say that it has become a topical issue. Anyone who heard "File on 4" a couple of weeks ago knows that the programme considered the number of school staff who are currently suspended, or who were suspended and subsequently lost their jobs. I will not go into all sorts of cases or case law. I am pleased that the Children, Schools and Families Committee has announced an inquiry. I will submit evidence to it in May, and I have spoken to the Chairman, my hon. Friend the Member for Huddersfield (Mr. Sheerman), who knows how strongly I feel about the matter.

I want to bring two cases to the House's attention. I will not use names—the people are well known in my area and I believe that they have suffered enough. However, I will set out some of the problems that occurred as a result of what transpired in each case.

The first case involves the head of a secondary school in my constituency, who has been suspended since November. There are genuine concerns about the basis for his suspension, which dates back to an Ofsted report. Interestingly, the report was critical of the governance of the school, but not of its management. It was therefore surprising that the head was suspended. Since then, there has been an exercise in trying to trawl for information to use against him, much of it on the basis that he is guilty of bullying and harassment.

I have known the individual for more than 20 years—indeed, the accusation will be thrown at me that he is a friend of mine. I am proud to call him a friend. In times of need, one does not deny friendship, and one takes up the case. I will continue to bat on his behalf, although the process is difficult. One of the saddest aspects is that he was prevented from watching his son play rugby because his son attends the school. He was told that he was not welcome, not only on the premises but on the sports field. That shows how totally the process can envelop someone.

Since the suspension, the individual has been able to talk to officials on various occasions, but denied the opportunity of talking to governors lest he contaminate those who will eventually make the judgment on his right to continue as head. Interestingly, the teacher union in the school chose to carry out a trawl of its members.

My main criticism—I will deal with three criticisms when I have outlined the other case—is that there is an imbalance between those who are trying to prove their innocence and those who claim that the individuals are guilty and get the process under way.

I am sad because the case has done enormous damage to the school by setting people against one another. We are now well into the fourth month, and the case needs to be resolved urgently. However, all I know is that the independent investigation continues and that when and if the case is heard, the individual will have to provide evidence in his defence. Sadly, he is much on the defensive and unable to prove his innocence because so many of the cards are stacked against him.

The second case is that of a head of care at a special school—not a teacher, and, in many respects, unable to have some of the protections that teachers enjoy. The person has been in education all their life and at the school for 27 years. The case resulted from the suspension of a head teacher, and the local authority, Gloucestershire, called in the National Society for the Prevention of Cruelty to Children to carry out an investigation. I question that decision because the original charge was to do with someone else—the head and his management style—yet the NSPCC was called in and conducted an inquiry. I have written to the local authority because I would like to see the evidence that the NSPCC came up with. I have been forbidden to see it. Even more important, the individual in question has not been able to see it, even though it is the basis of the charges against him. After he and the head were suspended, both the deputy head and, eventually, three other members of staff were suspended, so at one point six members of staff were suspended. All that will have had an impact on the school.

It is very sad, because that individual was dismissed and lost his job. He subsequently got a job at another school with the same authority, but the head of that school was effectively told to get rid of him. Since then, that individual has been reported to the Independent Safeguarding Authority, which will take him away from any contact with children if the complaint is upheld. That is wrong. His only recourse now is an employment tribunal. He is preparing for that now, so I will be careful not to say anything that might in any way preclude his ability to prove his innocence.

I have three worries about how the system operates and about how people have to try to prove their innocence, which is vital. The first point that I would ask my hon. Friend the Deputy Leader of the House to look into is the process of investigation. Whoever conducts an investigation, if one is held, whatever is found should be available to both parties. I am convinced that the defendant, as it were, does not have the same access to that evidence. That is not acceptable. We would not have the prosecution not disclosing evidence to the defence in a court of law.

My second point is: who oversees the investigation? We seem to have a flurry of governors being created—some because of the contamination, and so on. *[Interruption.]* I am now being given the nod by the Whip, so I will finish quickly. I want to know what power the local authority has to increase or change the governing body, because that can change the basis on which someone's inquiry is held. I know that we have an inquiry and an appeal, and subsequently someone may choose to go to an employment tribunal.

My third point is about proportionality. In both the cases I have raised, neither individual had a blemish on his record. They had not been called in for a verbal warning, let alone a written warning, but both went straight on to suspension, on the basis that they would subsequently be dismissed. That shows a lack of proportionality. It also shows poor management, in that if those people were so guilty, why were they not hauled before somebody previously?

Those are grave issues. I will raise them in much more detail before the Children, Schools and Families Committee.

[Mr. Drew]

which I congratulate on trying to address them. For too long the issue has, unfortunately, been swept under the carpet. Other heads have been suspended for other reasons. Sadly, such events are not unusual. Something is wrong and something needs to be done about it.

4.22 pm

Sir Nicholas Winterton (Macclesfield) (Con): I am pleased to follow the hon. Member for Stroud (Mr. Drew). He spoke with great passion about a constituency case. Many of us have had similar cases to deal with.

I want to raise four things, but almost in single sentences. First, let me highlight to the Deputy Leader of the House the ongoing crisis facing local newspapers. In my area, the *Manchester Evening News*—or the Guardian Media Group, which is the umbrella company—is closing the offices of all its weekly newspapers, with 150 people being made redundant, some 78 of whom are journalists. That is very serious. How will people learn about what is happening in their local courts or, for that matter, what is going on with their local authority, local sports clubs or local charities? There will be a deficit of democracy and information. The Government should pay heed to that.

Secondly, I want to highlight the plight of savers. The issue was raised by someone who came to me and said, "I've got £100,000 invested with a bank in a high interest savings account and I'm getting a 0.1 per cent. return on that money. I asked the bank how much it would loan that money out for, either to a secure private individual by way of a loan or to a business, and it said 9 per cent. plus." That bank is therefore making a substantial profit on any secure loan that it makes. The Government must take into account the position of those who have been responsible and saved—I refer in particular to the elderly and the retired, who rely on investments from their savings to provide a decent quality of life—rather than just bailing out the banks, which continue to pay substantial salaries and, yes, sadly, even bonuses.

I should also like to highlight the plight facing the Cheshire youth choir. At the weekend, I was privileged to hear it twice: once as part of a concert put on by the Macclesfield male voice choir, with which it shared the concert, and again on Sunday, when I attended the magnificent thanksgiving service in Chester cathedral to mark the 120 years of Cheshire county council. At midnight on my birthday, which was on Tuesday, the council ceased to exist, as did the six borough and district councils in Cheshire.

The Cheshire youth choir made a fantastic contribution to that service, under the inspired leadership and direction of Dr. Shirley Court. It is truly inspirational, it is magnificent, it is fabulous! I cannot find sufficient words to describe my admiration for that choir, and it is successful because of Dr. Shirley Court. Under the restructuring of local government in Cheshire, there is no guarantee that resources will continue to be made available to the choir beyond July. Will the Government tell the new authorities—Cheshire East and Cheshire West—that the choir must continue as a choir for the whole of Cheshire under the leadership of someone who is respected internationally, nationally and locally. She is unique, and if Cheshire loses her, I can only say that those who are responsible are fools.

Finally, I want to refer to the point that I raised with the Leader of the House earlier today on the Government's proposal that Members' contributions to their parliamentary pension should increase from 10 per cent to 11.9 per cent. That increase would be backdated to 1 April. I said that the problem with the fund is not that it has to pay out too much money to Members—there is inevitably going to be a longevity element involved—but that the Treasury has taken a contributions holiday for 14 years. The Treasury is the employer of Members of Parliament in respect of their pension contributions, but it has not been a responsible employer. Will the Deputy Leader of the House acknowledge that the Treasury has not paid its full contribution, and that that is the real problem? If Members were asked to pay another £60 a month, when their modest 2.33 per cent. increase would give them only an extra £68 a month from 1 April, it would place many of them under increased pressure. It would also be unfair, particularly when this is not their problem but a problem caused by the Treasury not meeting its commitment.

I hope that everyone has a happy Easter.

4.28 pm

Mr. William Cash (Stone) (Con): Those who do not learn the lessons of history are condemned to discover that things can go badly wrong if they do not do so. The G20 summit is taking place today, and we are going to have a statement from the Chancellor of the Exchequer in a few minutes' time. One issue that I can encapsulate quickly today—although it needs to be developed—is the question of democracy. I believe that we are now being presented with the question of what Parliament is for, not only by the events of the G20 and the international context but also domestically. We must also discuss what we should do to reform our parliamentary system, given all the press engagement in these matters at the moment. The whole question of values is being inverted and overturned, in regard to what people expect of us, not merely as Members of Parliament but as people. Moral values have been abandoned to a great extent.

To return to my point about learning lessons from history, it is important to remember those who created our modern democracy in the 19th century. I am studying that subject closely at the moment, because we have to learn lessons from the way in which they created this democracy and remember them when we apply them in our own time. Our democracy is dwindling away and, in my belief, the House of Commons is becoming increasingly less important in the public mind and less relevant when the needs of the people we serve are growing ever greater.

We also have to consider issues connected with local newspapers, which my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) mentioned a few moments ago. It was the relief, introduced by John Bright and others, on the tax on knowledge that created local newspapers. I think that today's protesters depend on freedom of speech, but I think the question of whether that can be exercised with responsibility is another issue.

Questions relating to the BBC and the manner in which it exercises its charter are relevant, as are questions about the manner in which Select Committees are appointed and the extent to which they are or should be elected. Taking evidence on oath is another aspect. There are many questions that we need to look at. Where is the power? That is a question that we have to ask ourselves, but I shall leave that to another occasion.

4.31 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I start by thanking everyone who has participated in today's debate. I am mindful of the time constraints, as we are due to hear a very important statement from the Chancellor of the Exchequer at 5 o'clock.

We heard a passionate contribution from the hon. Member for Telford (David Wright) to start off with. He spoke of the need for vibrant shopping centres, particularly in his constituency, although I am minded to say that it is an issue with which we can all sympathise, particularly in view of the challenges posed for retail outlets given that so many purchases are made on the internet. That point was echoed by my hon. Friend the Member for Uxbridge (Mr. Randall). Having lived in his constituency, although it was when I was at Brunel university and he was not the MP then, I can confirm that he has an excellent retail outlet in the form of Randalls—a store that I would certainly recommend to anyone visiting Uxbridge.

Returning to the speech of the hon. Member for Telford, I fully appreciate his frustration with the numerous reviews he spoke of in respect of local health services. As he said, there has been a lot of talk, but little achievement. This is not an unfamiliar story: he gets it at his local level; and the rest of the country gets it at the national level, where there are reviews after reviews after reviews. Basically, it means kicking things into the long grass, which is where they often stay—with a further review or yet another one undertaken "as is necessary". The sad thing about it is that it costs millions of pounds, and we, the taxpayers, have to pay for all these reviews, when the money could be much better spent on front-line medical services, transport and so forth.

The hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) addressed in his excellent speech the issue of restoring confidence in the banking system. He spoke about the need to improve the flow of liquidity, the need for individuals, as well as small and medium-sized enterprises and corporations generally, to have more funds. Yesterday, I spoke to a businessman who told me about two instances where the banks—and these are tax-funded banks—are not only being difficult about providing lending to companies and individuals, but are actively seeking to take a shareholding in successful companies.

When I asked about normal banking agreements, the reply was that these banks would prefer to take a share of successful organisations because their income would be far greater. I have to say that the individuals concerned were very frightened by the prospect. They are worried that if they say no to the banks, their banking facilities will effectively be terminated. I very much hope that the powers-that-be will look into that, as it is not for banks to put unnecessary pressure on customers in respect of their existing agreements.

The hon. Member for Leicester, South (Sir Peter Soulsby) made a detailed speech about development proposals in his area. He speaks of such matters with some authority, being a past leader of the council. He raised a number of serious issues, some of which related to transport and projected employment numbers.

I have to say, on the basis of personal experience, that whenever a developer comes along and promises a huge number of jobs, I ask to see the details. On one occasion, I found that the number of professionals being employed to carry out the development had been included in the list of people for whom jobs would be created. The impression conveyed to the constituents, with the aim of selling the project, is that x jobs will be created, but x includes the construction workers, professionals and so on who will not be around in the long term. I wish the hon. Gentleman well in his efforts to obtain the satisfactory answers that he seeks.

Having heard a speech from a knight of the realm, the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith), followed by one from another knight of the realm, the hon. Member for Leicester, South (Sir Peter Soulsby), I suspected that a trend was developing, but I was reassured that the common man had a voice in the Chamber when we then heard a contribution from my hon. Friend the Member for Reading, East (Mr. Wilson). I hope that, by making that observation, I have not damaged any prospects of ennoblement that he may have.

Mr. Rob Wilson: Where's my knighthood?

Mr. Vara: As I say, I hope that I have not damaged my hon. Friend's prospects.

My hon. Friend made a diligent and conscientious speech, as he always does when trying to serve his constituents to the best of his ability. He demonstrated the great depth of his knowledge of education matters when he spoke about the Learning and Skills Council. I am sure that the House was concerned to learn of the appalling conduct of Reading borough council. Of equal concern is the fact that my hon. Friend is having difficulty in engaging in a conversation with Vodafone, which I gather from what he has said is the way forward.

Chris Bryant: Give them a call.

Mr. Vara: I believe that my hon. Friend has tried that, and has not received a reply. I wish him well in his attempts to make progress on the important issue that he raised. He also raised the crucial issue—especially crucial in the present economic climate—of irresponsible lending. I hope that the Deputy Leader of the House took account of his comments, particularly those concerning his constituent Trevor Howard, and that the message will be passed on to the relevant people.

The hon. Member for Nottingham, North (Mr. Allen) made a thoughtful and powerful speech about the Iraq war. Let me take this opportunity to congratulate all our brave men and women who are serving in overseas theatres, particularly in Iraq and Afghanistan but also in other posts that may receive less publicity. Having visited some of our troops in Afghanistan last November, I can verify that they are among the finest young men and women we have in this country. The hon. Gentleman raised a number of other important issues, and I hope that the answers to his questions will be forthcoming.

I am pleased to say that the long-awaited inquiry for which Conservative Members have been calling for such a long time will now finally happen, although I think it regrettable that it is to be held in private. I hope that many of the questions asked in the House today, as well others asked by many other eminent people, will receive satisfactory answers from that inquiry.

The hon. Gentleman also spoke of the need for the House itself to receive legal advice. I do not know whether he was present during business questions this morning, when the Leader of the House said that the Attorney-General's advice on the issue of privilege with

[Mr. Vara]

respect to my hon. Friend the Member for Ashford (Damian Green) would be placed in the Library. Although that is not what was meant by the hon. Member for Nottingham, North, it strikes me as an advance in the right area for legal advice to be available for all Members to view, rather than just the privileged few on the governing side.

My hon. Friend the Member for Southend, West (Mr. Amess), a veteran of these Adjournment debates, made a typically varied speech. I think that we all agree with his concerns about childhood obesity, and I also hope that the Deputy Leader of the House will pass on his suggestions as to how to convert cooking oil into carbon-neutral electricity. My hon. Friend also raised the important matter of allergies, and I entirely agree that that is an increasing issue for the national health service and primary care trusts. I echo his sentiment that treatment for allergies is patchy. Given that it is a serious issue and that it is taking lives, I very much hope that the powers-that-be will look into it. May I also join him in congratulating Southend council? I hope the people he mentioned will take note, as will the other colleagues who help run the council.

The hon. Member for Falkirk (Mr. Joyce) made a very fulsome speech, although I have to say that there were conflicting instructions from those on his Front Bench: on the one hand, it appeared that the Deputy Leader of the House was being critical at one point, but I shall give him some support by saying that I think he was acknowledging the point that was being made, rather than groaning with discomfort. I just say that in the interests of cross-party support.

The hon. Member for Falkirk raised the matter of a constituent of his and the need for the Treasury to look at the qualifications for child benefit in some circumstances, and all the Members who were present will very much look forward to hearing the outcome of that, because he gave a detailed explanation of the difficulty his constituent was experiencing. He also spoke of the difficulty in getting information from some civil servants in Scotland. I, for one, certainly have much sympathy with his point about the difficulty in getting information from civil servants, Ministers and the like, given that Opposition Members regularly find that we are up against a stone wall in that regard and that very little, if any, information is forthcoming from the Government.

The hon. Member for Cleethorpes (Shona McIsaac) also raised that issue. There were conflicting comments from those on her Front Bench on that. Her Whip, the Comptroller of Her Majesty's Household, the right hon. Member for Warley (Mr. Spellar), expressed disapproval of her, and not, I suspect, simply because she was going on a bit, but because he would have preferred her not to criticise the Government on that particular issue.

Comptroller of Her Majesty's Household (Mr. John Spellar): No, it was because she was going on a bit.

Mr. Vara: The right hon. Gentleman may say that, but I am minded to say that after a drink or two he might confide in honesty, and say that he was also concerned that one of his own troops was having a go at the Government.

The hon. Member for Brent, East (Sarah Teather) raised the very topical issue of climate change and the environment. That is clearly a major topic for all of us. I must also give her credit for making a very caring and compassionate speech. She referred to the film, "The Age of Stupid". I am unsure whether she is aware that the star of that film, a gentleman by the name of Pete Postlethwaite, has an award and has said that he will consider returning it if the relevant decisions are not taken at the G20 summit. Clearly, therefore, the statement we will shortly hear from the Chancellor is not only important in its own right and will have an impact on what we have to say, but it will influence whether he decides to return the award, which was given to him by Her Majesty.

No one will have failed to take note of the hon. Lady's comments about her visit to Nigeria; she spoke of sewage-infested water and the horrific diseases that can flow from that, as well as the lack of water and food supply generally in Africa.

It is a sobering thought that, as she mentioned, in the 21st century there are some 30 countries in which food riots have occurred. Unless we do something drastic to address poverty, migration and all its consequences will have a huge impact. This is an enormously important subject that the whole House will recognise needs to be dealt with. The G20 summit conclusions are following shortly, and perhaps there will be some hints as to the way forward on food poverty.

I compliment the hon. Member for Stroud (Mr. Drew), who intervened on the hon. Member for Brent, East to speak about religious tension and intolerance. We all recognise that the world has enough problems in trying to feed, and provide water and shelter for, everybody. I am sorry to say—I think the House will agree with me—that there is increasing incidence of religious intolerance in the country that the hon. Gentleman spoke of, Nigeria, and worldwide. Indeed, my hon. Friend the Member for Southend, West spoke of the increasing incidence of anti-Semitism. That is a serious issue and we must not address it simply in terms of what is happening overseas; we must look at the possibility of, and real existence of, intolerance of minority communities in our own country.

The hon. Member for Cleethorpes spoke today, as she regularly does in these Adjournment debates; she is a very familiar face. I congratulate her on her wedding anniversary today and wish her a very happy birthday for tomorrow. I hope that, in arranging her constituency engagements for Saturday and Sunday, it has been borne in mind that she has two celebrations in the preceding 48 hours. She raised the issue of the need to reduce the toll charge on the Humber bridge. She was right to point out the economic consequences of the decision that will eventually be forthcoming from the inspector's report, which is awaited with considerable expectation.

The hon. Lady raised the issue of compensation for trawlermen and cited some harrowing instances of people who, quite innocently, seem not to have put in their applications. I hope that the small print in the agreements will allow for those left out of the scheme to be considered as well. She also gave a wonderful tourism promotion for her constituency, as she always does. It was good that she acknowledged my hon. Friend the Member for Tiverton and Honiton (Angela Browning), who is not here today, in that promotion. I am sure that my hon.

Friend will be grateful that, despite her not being here, her constituents nevertheless got a tourism plug.

My hon. Friend the Member for Uxbridge gave a fine speech. I am sure that his constituents will want me to note what an excellent and hard-working constituency Member of Parliament he is. I was heartened to hear that his mother is well, or was well when he began his comments; we all felt for her at the last such Adjournment debate. However, I am very sorry to learn that she is back in hospital with an ankle injury. On behalf of the whole House, I ask him to convey our thoughts to her and wish her a speedy recovery. We are all pleased that the quality of food is a lot better than it was last time round.

My hon. Friend raised a very good point about disabled people and the facilities they have access to—and, as was made clear, often do not have access to. The inconsistency of service for this large sector of our community—some 10 million people—needs to be addressed. Madam Deputy Speaker, you will be aware that the Speaker's Conference is examining ways of ensuring greater representation for disabled people in this House, but we parliamentarians need to ensure that outside this place we give full recognition to the very serious concerns and needs of those 10 million people.

My hon. Friend the Member for Uxbridge mentioned the horrific practice of organ trafficking. I am trying to host an event in the House on tackling organ trafficking—I am just waiting for the proper date to be found—and I hope that he will be able to take part in it. He also mentioned photography, on which he made an excellent speech in Westminster Hall yesterday—it has received widespread publicity and I thank him for it—and again he made some valid points. May I say, on behalf of the whole House, that we very much look forward to seeing his return to the House fully fit after making his contribution for the Lords and Commons rugby team? He spoke of a potential by-election, but I am sure that the House would miss his wit, charm and general brilliance, as well as his generous contribution to those of us who seek to be slipped in the Whips Office.

The hon. Member for Stroud (Mr. Drew) made a passionate speech, and I believe that the House will agree with the points that he raised on sympathy for those in fuel poverty and on energy efficiency. He talked of the plethora of institutions and initiatives, and the confusion that they often involve, and we note those two points. Two other fine contributions were made by my hon. Friends the Members for Macclesfield (Sir Nicholas Winterton) and for Stone (Mr. Cash). They kept their comments brief and I shall keep my comments about their contributions brief, Madam Deputy Speaker. I wish you and the House a very happy recess.

4.52 pm

The Deputy Leader of the House of Commons (Chris Bryant): It is good to see so many Members gathering in the Chamber to hear the culmination of this debate, which has been a great one—just two lawyers have spoken. That reminds me of the fact that in 1697 Tsar Peter the Great visited these Houses of Parliament. When he walked through Westminster Hall he was perplexed to see so many lawyers and he said that he thought that in his dominion there were only two and that when he got back home he was probably going to execute one of them. It has been great not to hear from too many lawyers today and excellent to hear from 15 former councillors. Those involved have represented Islington, Leicester, Reading, Redbridge, Wandsworth, Powys, Wrekin, Oakengates, Hammersmith and Fulham, Hackney, Stevenage, Stroud, Gloucestershire, Stonehouse and Warwickshire. *[Interruption.]* And Aberdeen.

I should apologise for suggesting in the equivalent debate at Christmas that these debates when we all gather together were rather like episodes of "'Allo 'Allo!" —the same characters rehearsing the same lines—because today's debate has been more like an episode of "The Vicar of Dibley". My hon. Friend the Member for Nottingham, North (Mr. Allen), who is not in his place, is the Councillor David Horton; in the same way as the character really loves the vicar of Dibley but tries to pretend otherwise, my hon. Friend really loves the Labour Government, despite the fact that in his speech this afternoon he was trying to pretend that he does not. My hon. Friend the Member for Cleethorpes (Shona McIsaac) referred to how much she loves food, and she is the Letitia Cropley—perhaps I am being a little unfair, because my hon. Friend's father was a naval chef, so I am sure she would not be known as the poisoner of the village.

We heard from the hon. Member for Southend, West (Mr. Amess), who is, as I am sure all hon. Members would agree, Frank Pickle—the very dapper member of the parish council who manages to move from the inconsequential subject to the consequential one without anybody noticing a change in his tone of voice. Frank Pickle could bore people on end with the subjects of how exciting it was when the pub completely and utterly ran out of crisps or the milkman arrived 47 minutes late. We have also heard from the hon. Member for Brent, East (Sarah Teather), who must be the Alice Tinker of the House; she never quite gets the joke—I see that she is not getting it at the moment either. She has been sitting there pouting, and she is pouting again now. She rather reminds me of when all the young girls in Dickens's "Dombey and Son" are taught how to pout by saying quietly to themselves the words, "Prunes, prism, poultry and potatoes." The hon. Lady must have been a little confused today because we have had both the hon. Member for Uxbridge (Mr. Randall) and my right hon. Friend the Member for Warley (Mr. Spellar) in the Chamber at the same time, and she once confused them when my right hon. Friend came canvassing at her door. The hon. Member for Uxbridge—or perhaps I mean my right hon. Friend the Member for Warley—is of course Jim Trott, the "No, no, no, no…yes" character in "The Vicar of Dibley". He certainly looks like him. More importantly, he looks rather like the older employee of the Grace brothers, Mr. Grainger.

We had important contributions to the debate this afternoon from many hon. Members, including my hon. Friend the Member for Telford (David Wright), who referred to his hopes for a post bank, and early-day motion 1082. We are keen for the Post Office to do more and put more banking products in the reach of everyone, to promote greater financial inclusion. We are also keen on the idea of introducing street drinking bans, and the designated public places orders system that we have introduced has enabled many local authorities to restrict antisocial behaviour in local areas, with more than 700 such orders having been made.

The hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) raised the issue of those who have savings and the assumed income of 10 per cent. I am sure that that issue is something that my right hon. Friend the Chancellor, who is now in his place, will

[Chris Bryant]

consider. The hon. Gentleman also raised the issue of sheep tagging, and I am sure that he is aware that DEFRA and the industry are concerned to ensure that disproportionate costs are not introduced.

My hon. Friend the Member for Leicester, South (Sir Peter Soulsby) raised the important issue of the proposed eco-town in his constituency, and I am sure that the Co-operative Society will have been listening. The hon. Member for Reading, East (Mr. Wilson), who still has four YouTube Christmas messages on his website—that is the wrong religious festival—raised the issue of irresponsible lending. It is a shame that he was not able to read the document "Freeing Britain to Compete", produced by his party, which stated:

"In financial services, we should allow people to buy and sell products that are not regulated if they have signed to do so"

and

"it is the lending institutions rather than the client taking the risk."

It is the hon. Gentleman's party that is opposed to regulation, not this party.

My hon. Friend the Member for Nottingham, North raised important issues about our troops and paid tribute to our armed forces, and I am sure that all hon. Members share those sentiments. Our concern is to ensure that at all times our troops have the support that they need, both moral support from this House and financial support.

The hon. Member for Southend, West raised a series of issues and I shall write to him and ensure that they are all taken up with the relevant bodies. My hon. Friend the Member for Falkirk (Mr. Joyce) raised issues relating to child benefit and how it applies in Scotland, and I shall write to him as well.

I am afraid that I disagreed with the hon. Member for Brent, East on many of the issues that she raised, although I am sure that all hon. Members agree that the problem that the poorest will suffer most from climate change is one that we need to address. We are proud that we are the first Government in the world to introduce binding legislation to tackle climate change.

We wish my hon. Friend the Member for Cleethorpes well for her wedding anniversary and her birthday. She raised the issue of the Humber bridge and I shall ensure that that is taken up. On the issue of compensation for trawlermen, we hope that the new scheme will be ready before the summer recess.

Many other Members made important contributions, not least the hon. Members for Macclesfield (Sir Nicholas Winterton) and for Stone (Mr. Cash), my hon. Friend the Member for Stroud (Mr. Drew) and—my personal favourite—the hon. Member for Uxbridge. I am sure that the Chancellor will be glad to hear that the latter thinks it behoves us to go out and spend.

I am sure that I speak on behalf of the whole House when I send good wishes for Easter to all those who serve us in this House—the Clerks, the Doorkeepers, those who provide food, those who occasionally serve us with a glass or two of wine or beer, the police and all the security services. I wish you in particular, Madam Deputy Speaker, a very happy Easter.

Helen Jones (Warrington, North) (Lab): I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

G20 Summit

5 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): With your permission, Madam Deputy Speaker, I should like to make a statement about the G20 summit, which was held today in London. The Prime Minister is still concluding business at the ExCeL centre.

First, may I explain to the House that the communiqué was signed off about an hour ago? For that reason, while I would normally have arranged for copies to have been placed in the Vote Office, that will not be possible for another half hour or so. They will be placed there at the earliest opportunity. I am also grateful to the shadow Chancellor and the hon. Member for Twickenham (Dr. Cable) for understanding that I was able to provide them with a copy of my statement only very recently—in fact, about five minutes ago. However, I was able to provide them with the communiqué a short time before that. I should also explain that, in addition to the communiqué, I shall refer to a declaration in relation to financial services, which is still being finalised at the summit. It will be available at the earliest opportunity.

May I extend the Government's thanks and appreciation—and, I am sure, that of the whole House—to the police for their professionalism and for being so effective in managing this huge policing and security operation while continuing to meet London's wider police needs?

Today, leaders and Finance Ministers from countries all over the world have come together in an unprecedented show of unity to take action on the greatest economic crisis of modern times. That crisis has deepened since the last G20 summit and it is now affecting the lives of people in every country. Today, we have agreed to do whatever is necessary to restore confidence and growth in our economies, to repair the financial system, to restore lending, to strengthen regulation and supervision, to rebuild trust in the financial system, to fund and reform the international financial institutions to overcome this crisis and prevent further ones, to promote international trade and reject protectionism, and, crucially, to build an inclusive, green and sustainable recovery.

There are no quick fixes, but, because of the progress that we have made today, by agreeing to work together we can begin to restore confidence, save jobs and bring the world economy out of recession.

First, we agreed to deliver the scale of sustained fiscal effort necessary to restore growth. That does not mean that all countries will act in exactly the same way or at exactly the same time, but it does mean an agreement has been made to take whatever action is necessary to restore growth. We are confident that the action that has been agreed today will accelerate a return to trade growth.

Since the summit in Washington in the autumn, G20 countries have announced and are now implementing the greatest macro-economic boost the world has ever seen. The combined fiscal expansion across the G20 will put an additional $5 trillion into the world economy by the end of next year. That will save or create millions of jobs across the world this year alone.

Central banks across the G20 countries are also taking exceptional action, cutting interest rates aggressively in most countries and using all levers available to put

money into their economies to support growth. We have already made available significant support for individual banking systems through liquidity, recapitalisation and dealing with problem assets in line with our agreed framework for restoring lending. In all the actions to support the economy, there is a determination to ensure long-term sustainability and price stability, as well as exit strategies for Governments' involvement in the banking sector.

The immediate cause of this crisis is a failure in the global financial sector and in global financial regulation. It is imperative that we rebuild trust and clean up the global banking system. As part of that, we must build stronger regulatory systems that support growth and serve the needs of people and business. Domestic financial regulation must be reformed to promote integrity, guard against all types of risk, discourage excessive risk taking, dampen rather than amplify the effect of financial shocks and protect consumers as well as investors.

We also want a more globally consistent regulatory system. To that end, we agreed today to establish a new financial stability board, with a wider group of developed and emerging countries, which will work together with the International Monetary Fund to spot risks and provide early warning. We also agreed to endorse and implement new tough principles on pay and compensation and to expand regulatory oversight to all systemically important financial institutions, including hedge funds.

We will also take action to protect the world's financial system—and, therefore, our public finances—by cracking down on tax havens, and we note that the OECD has today published a list of countries assessed by the global forum against the international standard for exchange of tax information.

We must give international financial institutions such as the IMF and the World Bank the legitimacy and the power to provide surveillance and support. It is crucial that emerging and developing economies can continue to receive the flows of capital on which they depend. Over the past few years, some 70 per cent. of world economic growth has come from those economies, and we must not let them down now.

We have agreed a trebling in resources available to the IMF, from £250 billion to £750 billion. We also support a substantial increase in lending of at least $100 billion by the multilateral development banks, including to low-income countries.

Madam Deputy Speaker, I think that I referred to the IMF in terms of pounds sterling: it should, of course, be dollars.

We have also agreed to support an injection of a further $250 billion into the world economy, increasing global liquidity through a greater allocation of IMF special drawing rights. These steps will provide an additional $850 billion of financing to support growth in developing and emerging countries, which will be able to continue trading with us and other G20 economies, in turn supporting global growth and employment.

Hand in hand with more resources will come reform of the IMF and the World Bank. Emerging and developing countries need to be represented too, so we agreed that the next review of IMF representation should be concluded by January 2011, while World Bank reforms must be completed by next spring.

World trade has underpinned rising prosperity for half a century, but today it is falling for the first time in 25 years. So we have agreed to support international trade as a crucial driver of growth in countries everywhere. International trade is currently being undermined by a shortfall in trade finance, on which 90 per cent. of all world trade depends. So we have agreed today to make available over the next two years not $100 billion but $250 billion through G20 export credit and investment agencies.

So in total, we have agreed over $1 trillion of additional support for the world economy, and this will support trade, growth and jobs.

We remain committed to reaching an ambitious and balanced conclusion of the Doha development round, as we believe that this could boost the global economy by a further $150 billion a year.

The fifth element of the agreement today is a commitment to help the world's developing and emerging countries. We reaffirmed our historic agreement to meet the millennium development goals and to each achieve our respective pledges on aid, debt relief and development. This action, and the decisions that we have taken today, will increase the resources available to low-income countries by $50 billion—for social protection and long-term food security, for example.

We will act and do everything possible to build a fair and sustainable recovery. We agreed also to make sure that when we support our economies, we do so in a way that also protects the environment. We will support investment in clean, innovative and resource-efficient low-carbon technologies.

We will also support those affected by the crisis by creating job opportunities and through income support measures. We will support employment by stimulating growth and investing in education, and through active labour market policies that focus on the most vulnerable.

This is a global crisis, and today there has been a global response. We will play our full part, and I commend this statement to the House.

Mr. George Osborne (Tatton) (Con): I sincerely thank the Chancellor for coming to make this statement today, before the House rises for the Easter recess. I speak for Members on all sides of this House when I join him in thanking the police for the very good job that they have done, in very difficult circumstances. We are grateful to them for keeping London safe.

I turn now to the communiqué which, as the Chancellor said, has only just been published. What has been achieved by today's meeting, and what has not? Those are the questions, and I shall deal with both.

The substantial increase in the resources available to the IMF was widely trailed and is very welcome. It will help economies in trouble at a time when credit is scarce, and $500 billion is pledged from member states. Of course, it is a credit facility, so is there an estimate of how much of it is expected to be drawn on over the coming year, as that will determine how much individual countries' taxpayers—including British taxpayers—might have to provide?

Will the Chancellor confirm that the $250 billion increase in the IMF special drawing rights is in effect a form of quantitative easing, or creating money, on a global scale? What analysis has been made by the G20

[Mr. George Osborne]

of the long-term risks for inflation? What conditionality will be attached to those funds for the poorest countries? That has long been an issue of concern to development organisations and those countries themselves.

The Chancellor mentioned a timetable for reform of governance and voting rights in the IMF, as he has before. He mentioned 2011. Is that timetable now actually matched by a hard commitment from some of the countries with large voting rights— because they had larger economies relative to the rest of the world in the 1940s—that they will give up those rights and make sure that the IMF reflects in every sense the true balance of economic power in the world?

Earlier today, the Financial Secretary said that he wanted to reduce the stigma of going to the IMF. Exactly what did the Chancellor have in mind when the Financial Secretary said that?

The commitment on trade finance is welcome, too, but how much of the $250 billion in credit lines and guarantees that the communiqué talks about has actually been announced already by national Governments and how much is a new commitment? Clearly, it looks as though the $50 billion for the World Bank is, but what about the remaining $200 billion?

When will all that finance be available? As we have all seen in Britain, announcements are all well and good but what saves businesses and jobs is schemes that are actually up and running and operational. When will that happen?

Trade finance will help to reverse the dramatic fall in global trade that is doing so much damage. Of course, rapid completion of the Doha trade round would have done even more and provided a huge stimulus to the world economy. It is a shame that—in my view—the issue was ducked in the communiqué, rather than directly addressed. Indeed, the communiqué talks of reaffirming the commitment made in Washington not to raise new barriers to investment or to trade in goods. However, since Washington, 17 of the 20 countries that sat round the table there and signed the communiqué have increased trade barriers and protectionist measures.

The Chancellor talked about new World Trade Organisation reporting requirements and the like. Well, the WTO has reported that 47 protectionist measures have been taken around the world, so why will this communiqué be any more effective than the communiqué signed in Washington last autumn?

On financial services, the regulation of the shadow banking system and systemic hedge funds—I suspect the word "systemic" will be important—action on tax havens and principles on bankers' bonuses are all welcome, although of course it smacks a bit of closing the stable door after the horse has bolted. *[Interruption.]* Those who supported the Government over the past 12 years should reflect on that.

There is a distinct lack of detail. Will the Chancellor tell us whether there is now a clear timetable for introducing at international level some co-operation on counter-cyclical capital rules and reforming the pro-cyclicality of the current Basel 2 accords? Has he, and indeed the world, now taken the view that the Greenspan approach of waiting for the boom to turn to bust and then mopping up is not wrong?

One of the principles the Chancellor set out was on toxic assets. So far, different countries have adopted different approaches. Switzerland has tried a bad bank, the US is trying to leverage in private finance and the UK has its insurance scheme. If those are all encompassed by the new principles, just how meaningful are they?

Finally, the great thing missing from the communiqué is the one thing that the Prime Minister lobbied hardest for—that is, a new commitment to a significant second fiscal stimulus, so that the Chancellor would have cover to announce one in the Budget later this month. That commitment is very obviously not there. Indeed, the $1 trillion being trumpeted today is $1 trillion of loans, credit lines and guarantees. We welcome that, because we, too, have talked about loans and credit guarantees. What it does not contain is a single extra dollar or pound of additional fiscal stimulus. In the communiqué it is explicitly left to individual countries to decide for themselves what their own public finances can support.

The communiqué says that the signatories should put in place "credible exit strategies" from the fiscal position that they are in. That is exactly as it should be. It is a vindication of the argument made by the Conservative party in recent months. It must mean that the Chancellor now pays attention to the advice of the Governor of the Bank of England and rules out a significant second fiscal stimulus in the Budget.

It is right that the richer countries of the world come together to help those most in need, and we support the commitments entered into today, but the question that the British people will ask tonight is what it all means for them, once the world leaders have left. There is still the small business that cannot get credit. There is still the mother working in the high street shop who fears for her job. There is still the family who fear for their home. The G20 will seem very remote for them. No $1 trillion boost for the IMF and trade finance will help us to deal with a £1 trillion national debt, which we are leaving to our children, thanks to this Government. The truth is that Britain will be clearing up the economic mess created by this Government long after the G20 show leaves town.

Mr. Darling: The hon. Gentleman raises nine very sensible points, and one that is not terribly sensible, but let me deal with all of them. First, he asks about the IMF and the figures. He rightly says that there was an expectation that the IMF resources would be increased; many people thought that they would be doubled. Actually, we have substantially increased the IMF resources by more than that. That is a tribute to the work that my right hon. Friend the Prime Minister has done over the past few weeks and months, at times being widely criticised by the Opposition. Having seen the proceedings today, I can tell the House that he was able, even in the last few hours, to extract from those there more commitments to helping people throughout the world, and he deserves support for having done that.

The hon. Gentleman asked about special drawing rights, and he also asked a question about conditionality, which is important and has been debated in this House many times before. I think that there is a general feeling that at this time, it is important to get money into those emerging and developing economies as quickly as possible, and that to spend month after month discussing terms and conditions might be counter-productive. That is

not to say that conditionality is not important. We have got to be sure that the money is spent in the right way, and we have got to have safeguards, but it is important that we make sure that the support comes through fairly quickly.

The hon. Gentleman asked about a timetable for reform; I said that in terms of the quota, the next review needs to be brought forward by the beginning of 2011. I should add that in addition to looking at the resources and the governance of the IMF, the summit also agreed that we should consider the terms of reference for both the IMF and the World Bank, because there is a feeling that, more than 60 years after they were established, what they actually do needs revisiting as we enter the second decade of this new century.

On the question of stigma, the hon. Gentleman will have noticed, as I am sure others have, that Mexico was able to access funds largely without comment, because, I think, people are beginning to realise that it makes sense at times for the IMF to intervene earlier, and to help countries and provide them with support. It does not necessarily mean that there is any sign of an immediate problem. That is where we want to get to—a position where the IMF helps countries as a matter of course.

On additional funds, the hon. Gentleman is right: the test will come when making sure that those funds are made available as quickly as possible. He also raises the important matter of the trade round and Doha. That was discussed, both at the preliminary meetings and at a meeting this morning. The House will be aware that there were times, during the course of the last year, when many people thought that it might have been possible, if we had been prepared to go the extra mile, to get an agreement.

Principally, there are problems on the part of the United States and India. President Obama made it very clear this morning that the US Government are anxious that the matter should come back to the G20. He says, however—and it is probably not an unreasonable request—that they are a new Administration and that they need to take stock of where they are and to consider how best to proceed.

Equally, India is facing a general election this year. That means, I suspect, that for the next few months those countries will want to take stock. But no one in that room was in any doubt that it is in all our interests to get an agreement on the Doha round as quickly as possible. I hope that that explains why the reference to Doha was more limited than it might otherwise have been.

The hon. Gentleman asked about the WTO and the need to police protectionism. He is right; we are signed up to a strong declaration opposing protectionism, but that will work only if it is honoured by countries and if the WTO can act where there is a breach.

The hon. Gentleman asked about financial services and the inclusion of hedge funds. I deliberately said that those were of systemic importance. I note what he said about pay and horses bolting; I am bound to say, though, that a fair number of Conservative Members were supporters of some of the horses that did the bolting. The hon. Gentleman should be careful about what he says on that. There is reference to the reform of the Basel II agreement, and that is important. Equally, the point made about reform of accounting standards is very important because we need to address the problem where the operation of the rules could exacerbate the situation. We need to address that.

The hon. Gentleman asked about the different approaches to impaired bank assets. He is right; the approach we have adopted with the asset protection scheme is different from the approach in the United States and Switzerland. But at the end of the day, they are all doing the same thing—trying to isolate the bad assets. As I have said to the hon. Gentleman on many occasions, I do not think that there is an ideological right or wrong on the issue; what is important is that we find a way to get bank credit flowing again.

The hon. Gentleman's penultimate point was about fiscal stimulus. For the last few days, and even before that, there has been much speculation that there was somehow a stand-off between the Germans and the French on the one side, and the Americans and us on the other. The truth is that there is support right across the G20 to make sure that we both strengthen and reform the financial services and banking systems and do whatever it takes to support our economies at this time. The declaration explicitly commits the G20 countries

"to deliver the scale of sustained fiscal effort necessary to restore growth."

The only people who oppose that are the Conservative party.

The hon. Gentleman asked what difference this makes for men and women throughout this country. I will tell you, Madam Deputy Speaker, what difference it makes. This is an absolutely essential step, here and across the world, to protect jobs and make sure that we do everything we possibly can to help people at this time of extraordinary difficulty. We are prepared to play our full part; I am sorry that that is not a view shared by the Conservative party.

Dr. Vincent Cable (Twickenham) (LD): I thank the Chancellor for his help in getting the information this afternoon. This was a crucial meeting, part of a process of restoring confidence in a great crisis. The Prime Minister and the Chancellor deserve some credit for some of the positive outcomes; they would get rather more credit if they had not exaggerated expectations in advance of the meeting. None the less, there were some good results in respect of the funding of the IMF and the World Bank, in terms of trade credit and the commitment to fighting protectionism.

I want to ask a series of specific questions, one of which relates to what was evidently a failure—the inability to realise an accord on the stimulus needed to growth and employment. If the French and Germans are not able to agree to a fiscal stimulus, have they specifically agreed to a monetary stimulus in Europe? Can the European Central Bank engage in quantitative easing, as described in paragraph 7? If so, how much is it proposing to do?

In relation to the so-called "credible exit strategies" mentioned in paragraph 11, can the Chancellor explain why the British are proposing an exit strategy in 2010-11 given that the Government are committed to reverting to a deflationary fiscal policy while all the other major countries are committed to expanding it beyond that date?

[Dr. Vincent Cable]

Paragraph 27 refers to a "green" stimulus as part of the fiscal package. Why is the British environmental stimulus as part of that package half the international average?

In relation to tax havens, I welcome the agreement as far as it goes. Can the Chancellor say how many of the countries listed today by the OECD as non-compliant are British dependent territories? Why, over the past 10 years, have the Government tolerated tax evasion and criminal money laundering in British territories, and will that now stop? Can the Government give an assurance on tax policy that no company, bank or otherwise, will come for help from the British taxpayer, be it in cash or guarantees, unless it gives an absolute assurance that it will stop tax avoidance and the use of tax havens, which companies have used in the past?

Paragraph 15 of the communiqué has an ambitious commitment to what it describes as

"tough new principles on pay and compensation".

What does that mean for the British banks, particularly the nationalised banks? I was told today that the Royal Bank of Scotland is proposing to double the pay of its senior management from an average of £150,000 to £300,000 to compensate for the loss of bonuses. Is that true, and, if so, will the Government stop it?

One of the clear conclusions to emerge from this meeting is that we now have a fundamentally different international order in which there are two superpowers—the United States and China—and other countries, such as Russia, Brazil and India, which are very firmly part of the major powers as regards economic and other matters. Was not, however, the European Union badly divided, with grandstanding and squabbling on a major scale? Does the Chancellor agree that if the European Union, including Britain, is to be listened to in this fundamentally changed order, there must in future be a unified approach, which was manifestly lacking on this occasion?

Mr. Darling: I thank the hon. Gentleman for his appreciation, albeit qualified, of the efforts that we put in. We need to be realistic about what we have achieved today, but there are also grounds for optimism. Even six months ago, I would have found it difficult to imagine that we would be able to get together 20 countries representing 80 per cent. of the world's largest economies and come to a substantial agreement that will, over time, make a significant difference to the prospects of the world economy. That is a very important step.

The hon. Gentleman asked about fiscal stimulus, particularly in relation to Germany and France. He will know—I think that he made this point the other night—that Germany has put in not just one fiscal stimulus but two, and has put in slightly more than us, even taking into account the automatic stabiliser effect of increased benefits and reduced tax take that both our countries show. France has also put in a fiscal stimulus. It is not a case of their saying, "Do nothing", as some argue—they have done something. As I have said on many occasions, it must be up to each country to decide how much it does and when it does it.

The hon. Gentleman asked about credit easing—quantitative easing. Of course, within the eurozone that would be a matter not for Germany and France but for the European Central Bank, which is yet to make any proposals in that regard.

The hon. Gentleman referred to sustainability and the exit strategy. As I said to the House on Tuesday, whatever we do and wherever we do it, we must support our economy now, but we must also be sure that in the medium term, as we come out of this, we live within our means. All countries have to do that. The exit strategy specifically refers to the banks, in which regard the Government's policy remains, as I have stated before—I think that the hon. Gentleman and I are in complete agreement— one of returning these banks to the private sector, commercially operated albeit properly regulated and supervised, when we can do that.

The hon. Gentleman asked about tax havens, on which action is necessary, and he asked why we did not take action before. That is another example of the fact that, for years, many countries—many of which were represented at the G20 today—did not want to know about taking action on tax havens, as he well knows. That mood has changed. One of the planks of President Obama's election campaign was that America should do something about the issue. We now have an environment in which it is far easier to take action, and it is interesting to note that in the past few weeks, when countries have known that they might be named and shamed, there has been a flurry of activity as countries have said, "We've decided we're going to sign up to international obligations." That shows that action works.

The hon. Gentleman made a general point about the European Union, and I believe that where it is possible to reach agreement, we should. Having spoken to people over the past 48 hours or so, I found that the differences between various countries in the EU, the United States, ourselves and anyone else were far less significant than it may have appeared in reporting to the public. What was announced and achieved today will be seen as a significant step forward, provided that we make sure that we implement it, and make sure that the benefits are passed on to the people who elect us.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): Many Members are hoping to catch my eye. I will, therefore, insist on a brief single question so that we can have a concise reply. More may then be successful in making a contribution.

John McFall (West Dunbartonshire) (Lab/Co-op): The sterile debate about whether to have a fiscal stimulus or not has been put into context today by these welcome measures to reflate the world economy and kick-start trade. But the Chancellor knows that this crisis has a human face, with millions of people becoming jobless over the coming months. According to the World Bank, 54 million people in the low-income countries will be put into absolute poverty. Does he agree that there is a moral imperative to continue policies that alleviate such distress to individuals, and will that be taken up in the G20 meeting in the autumn?

Mr. Darling: I certainly agree with my right hon. Friend. It is estimated that 90 million people throughout the world were at risk of falling into poverty if we did not take action. That is one of the reasons today's outcome is to be welcomed. We now have to make sure that we see the process through. One of the purposes of the second meeting later this year will be to ensure that pressure is kept on countries to deliver what they have signed up to.

Mr. Michael Fallon (Sevenoaks) (Con): Would the Chancellor explain more fully why the Prime Minister said at his press conference that there had been an agreement on a common approach to the toxic assets, when that is not in the communiqué? Some countries are isolating their assets, others are trying to sell them off, and here at home the right hon. Gentleman is trying to insure them. Where is the common approach?

Mr. Darling: The common approach is that all of us agree that we need to isolate and then remove the effect of toxic assets on the ability of banks to lend. That can be accomplished through insurance, which is what we are doing here, or through the so-called good bank-bad bank split, which we have taken here on two occasions. It can involve a combination of the public and private sector—something that we are doing partially, and which the Americans are doing. It is important—and the Chairman of the Select Committee is looking at this—that we use the right approach. It will vary from country to country, and it will vary from bank to bank, but the right approach must be to get lending going. That is a common approach.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): Is my right hon. Friend aware that we on the Government Benches very much congratulate the Prime Minister and him on the stunning success of getting this G20 conference held, and on the results they have obtained, particularly the $5 trillion increase in the funds put into the world economy? That is key to generating the confidence that we badly need to sustain us coming out of the recession.

Mr. Darling: I am grateful to my hon. Friend. It is a major step forward, but, as I said before, it is important that as people leave London tomorrow, they start to make sure that everything we have agreed is delivered.

Sir Patrick Cormack (South Staffordshire) (Con): As one who genuinely hopes that today's understandable euphoria will be followed by lasting satisfaction, may I ask the Chancellor a specific question about his statement? He says that the immediate cause of the crisis is a failure in the global financial sector and in global financial regulation. Is he completely confident that the regulations that will be imposed in countries around the world are mutually compatible?

Mr. Darling: First, I am grateful for the hon. Gentleman's comments. I have been accused of being euphoric on very few occasions, but I am none the less grateful to him. He asks a perfectly pertinent question. It is important that we now accept that there need to be common rules because we have a global financial system. I think that there is much agreement about that. In Europe, our attitudes must change—there need to be common rules and a common approach, but that is not inconsistent with having national supervisors and regulators, because we need a regulator near the ground and the people they regulate. Everything that we have experienced demonstrates in huge amounts the need for closer co-operation. I hope that we can achieve that on a global basis and in the European Union.

Mr. Ian McCartney (Makerfield) (Lab): I thank my right hon. Friend the Chancellor and my right hon. Friend the Prime Minister for holding their nerve in the past few months, when the Opposition have poured buckets of abuse over them on a daily basis. Without holding their nerve, the G20 would never have happened and we would not have the stimulus we have got.

In the statement, my right hon. Friend talked about assisting the poor. In his busy schedule in the next few weeks, will he meet me and some colleagues to discuss additional measures to help poor borrowers in the United Kingdom, who are suffering extremely difficult times, especially in the home loan and high street sectors?

Mr. Darling: I am extremely grateful to my right hon. Friend. He is right that we need to do everything we can to help people, especially those on low incomes, in this country. Throughout his time as a Minister and in the many jobs that he held in Government, he spent considerable time trying to ensure that we did more to help low paid people, not only those who had lost money, but those who were in fear of exploitation. It is equally important to have exactly the same approach to people on low incomes throughout the world. I am glad that the need to tackle that was specifically addressed in the communiqué.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): In answer to the questions of my hon. Friend the Member for Tatton (Mr. Osborne) and to the hon. Member for Twickenham (Dr. Cable) about the fiscal stimulus, the Chancellor set out what others had already done. He knows that, in the run-up to the G20, the Prime Minister went round the world talking about a further stimulus, not what had been done. Is not the reality that the G20 was originally set up around the further stimulus and the Prime Minister's desire for the world to follow that? He has not succeeded—Germany and France have clearly got their way. Does the Chancellor, who is recorded as possibly being in favour of being against that further stimulus, think that it is a good or a bad thing that France and Germany won?

Mr. Darling: I am not sure whether it is possible to be in favour of being against something, but I shall ponder that. The right hon. Gentleman is plain wrong. It is clear from the discussions this morning and from the declaration that:

> "We are committed to deliver the scale of sustained fiscal effort necessary to restore growth."

Every country signed up to it. The Conservatives are the only people who are against that.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): My right hon. Friend referred in cautiously optimistic terms to getting a kick-start to the world trade talks. The Prime Minister has been consistent in his support for development and for fair as well as free trade. How confident and optimistic is my right hon. Friend that those talks, when they restart, will help encourage the principles of fair trade and the sustainability of developing economies?

Mr. Darling: We have to be optimistic because it is important to get a satisfactory conclusion. President Obama has made it clear that he takes that extremely seriously—he understands his country's obligation on that. I appreciate the obvious problems of an incoming Administration; they want to take stock of several matters. However, the President's commitment to what my right hon. Friend raises, and his support for what we

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agreed today, is important. America has a key role to play in the world and I am glad that President Obama has made it clear that he intends to play his full part.

Sir Michael Spicer (West Worcestershire) (Con): Now that, by his account, the Chancellor has had his day of glory, what is the point of this Government?

Mr. Darling: The hon. Gentleman has asked some ridiculous questions in his time in the House. Given the scale of what we are facing and the scale of the problems faced by people in this country and across the world, particularly people in emerging economies, people who are living in poverty and people who run the risk of falling back into poverty, I would have thought that anyone looking at the situation would say that now is the time for Governments to act and support them, not to turn their backs on them and walk away.

Derek Twigg (Halton) (Lab): I congratulate my right hon. Friend and the Prime Minister on the excellent work that they have put in to ensure the success of the G20. Is the issue now not about ensuring that the benefits that come from what has been agreed today get to people as quickly as possible, including those in Halton who are losing their jobs and houses, and to businesses, so that they have hope for the future, and about ensuring that the institutions that are responsible for getting that help to them are brought together quickly and that action is taken?

Mr. Darling: I agree with my hon. Friend that that is important. That is why we should continue to do everything we can here to help people who lose their jobs. It is important, too, that we remember the effect of public investment in transport, for example, of which he will be well aware. And who knows? One day, I hope not in the too distant future, we might get to visit the bridge that he has advocated for so many years. I certainly look forward to seeing it one day, as I think that I approved it.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): In answer to my hon. Friend the Member for Twickenham (Dr. Cable), the Chancellor did not clarify whether the European Central Bank had the power to introduce quantitative easing if it so wished or whether the Royal Bank of Scotland would be doubling pay rates to get around the fact that it would not be paying bonuses.

Mr. Darling: In relation to RBS, I need to get back to the hon. Gentleman. In relation to the ECB, which is a slightly different matter, the bank would need to consider what options it had. It would also have to discuss the matter with members of the euro group. However, I am sure that they recognise that they may have to look at other options—the interest rates were cut again today in Europe—although that is a matter for them. We are not in the euro; we are responsible for our own Bank, and we shall have to see what the ECB decides to do.

Dr. Gavin Strang (Edinburgh, East) (Lab): My right hon. Friend is right to be cautious, but surely it is already clear that the London G20 summit has been a success. Although it is true that there are still toxic assets in the banking system, which is a problem, and that unemployment will continue to rise for a good many months yet—and not just here, but elsewhere—are we not beginning to see grounds for some optimism? He is right to refer to the position six months ago. Are we not seeing a situation in which it looks as though the 1930s will not be repeated in this global downturn?

Mr. Darling: My right hon. Friend is right: there are certainly lessons to be learnt from the 1930s, when there was an attempt, which failed, to get countries to come together. It was not until the end of the second world war that countries sat down and started to plan for the peace and look at the international institutions and the action that they might need in future. What has happened shows that we can take action and that we can take it quickly.

There is some way to go yet—I am naturally cautious about these things—but the measures and the agreement reached today will be a significant help, provided that we see them through to conclusion. I think that they will be a significant help and I think that Governments can make a difference. If I did not, I, like many others, would not be here anyway. Governments can make a difference; perhaps the difference between us in this House is that I think that Governments need to make a difference and that they need to act.

Sir Peter Viggers (Gosport) (Con): Although the steps announced by the Chancellor are broadly to be welcomed, does he agree that they all have a tendency to be inflationary and that the situation could change quite quickly, especially as the amounts of money borrowed by this and other Governments are so large that Governments may tolerate inflation, because that will help them to reduce their debt burden? Will he promise never to take his eye off the ball and ignore the risk that explosive inflation could cause?

Mr. Darling: I am grateful to the hon. Gentleman. He is right that we always have to be vigilant about inflation. When he has an opportunity to look at the communiqué—I appreciate that he will not have seen it for perfectly understandable reasons—he will see that it acknowledges that risk.

Nia Griffith (Llanelli) (Lab): My right hon. Friend may be aware that last year I introduced a ten-minute Bill that would have prevented the awarding of PFI contracts to companies that avoid UK tax through the use of tax havens. Can he tell me how the G20's excellent start on tackling tax havens will be progressed, so that Bills such as mine will become unnecessary and billions of additional pounds will flow into Government coffers worldwide?

Mr. Darling: The agreement that we reached today made it clear that we wanted to have a crackdown on tax havens. The OECD has published a list of the countries that it regards as compliant, those that have indicated that they are ready to comply, and those that have not. Over the next few weeks and months, it will be important as we move to the next stage that we bring pressure to bear on those countries, using whatever sanctions are thought appropriate, to ensure that we end these tax havens. They are grossly unfair and grossly inefficient, and we need to stop them.

Sir Nicholas Winterton (Macclesfield) (Con): Following up on the question from my hon. Friend the Member for Gosport (Sir Peter Viggers), may I ask the Chancellor where all this money is coming from? How will it impact on inflation in the short and medium term? Will there be any benefit whatever—

Madam Deputy Speaker: Order. I did ask for single questions.

Sir Nicholas Winterton: Well, I am very quick—much quicker than some other Members. Will there be any benefit for savers—

Madam Deputy Speaker: Order.

Mr. Darling: The hon. Gentleman will know that the Bank of England has a responsibility to target the Government's inflation rate and that it is for the Bank to decide what action is appropriate to ensure that we support that target.

Mr. David Kidney (Stafford) (Lab): The Government—and especially the Prime Minister—deserve congratulations on achieving a broad range of agreements from such a diverse range of countries. Given sterling's competitiveness internationally at the moment, what, if anything, in today's agreement will help those sectors of our economy—such as agriculture and manufacturing—that would in normal circumstances expect to benefit from a growth in exports?

Mr. Darling: I am grateful to my hon. Friend; he is right to say that we have an opportunity to capitalise on our exports. We produce very good quality exports and it is therefore important that we have markets in which to sell them. For example, one of the reasons we support Germany putting money into its economy is that we sell goods into Germany. We also sell goods into developing countries. When people ask why we are concerned about what is going on in these other economies, the answer is quite simple. It is because our exports, and therefore our jobs, depend on them.

Mr. Michael Jack (Fylde) (Con): The effectiveness of a complex package such as this lies in the detail of its implementation, so who among the G20 has taken responsibility for ensuring that all parties that have made commitments in the agreement today actually deliver what they have committed to?

Mr. Darling: The right hon. Gentleman raises a perfectly pertinent point. The test will be in the implementation of this agreement. The answer to his question depends on the particular measure, but the IMF, for example, has now been given a commitment of more funds by certain countries. There have been commitments in respect of China, Japan and the European Union, though it must be ensured that it gets the rest of the money. It is the IMF's job to ensure that it can negotiate quickly with countries seeking help, and to ensure that the money gets there. Equally, there has been agreement to get money to the development banks. We contribute quite substantially to them through the Department for International Development. The right hon. Gentleman is absolutely right: we have to ensure that all the organisations involved—many of them international—actually implement what they have signed up to.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): As well as thanking the Prime Minister and the Chancellor of the Exchequer, I hope that we will also give our thanks to the noble Lord Malloch-Brown, the G20 envoy, who has done sterling work. The question that my constituents will be asking this evening is: is the G20 the new G8? They will wonder what the point of the G8 is, if we also need China, India and Brazil. My question relates to the financial stability board. Will the four major audit companies of the world have new regulations and be part of a new corporate governance approach?

Mr. Darling: In relation to the profound question, "What is the meaning of the G8?", I am tempted to answer, "Discuss." That subject has been discussed for many years. At the risk of stating the blindingly obvious, I may say that the advantage of the G8 is that there are fewer people round the table to have a conversation with. The G20 brings in a lot more, and recognises the reality of today's economic power, which is why the G20 meeting has developed a great deal of momentum. However, these discussions will continue. There are also sensitivities among countries not in the G20 that believe that they, too, need a greater voice in some of these international discussions.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): On behalf of the Scottish National party, may I, too, welcome the measures to boost aid and action for developing countries, and the announcement in the communiqué about stronger financial regulation? The Prime Minister spoke at the ExCeL centre today about the world joining and acting in concert, and today's communiqué talks about doing what it takes to restore global growth. In the United States, President Obama is also investing in a fiscal stimulus, as the Chancellor will know, but Barack Obama seems to have a greater understanding of how to spend it at state level rather than adopt the centralised approach of the UK, which hardly represents acting jointly. In the UK, the Governments of Wales, Scotland and Northern Ireland are unhappy at this time that their budgets are to be cut in the next two years. To achieve meaningful effects for ordinary people, surely the Scottish, Welsh and Northern Irish—

Madam Deputy Speaker: Order. I hope that the hon. Member has now completed his remarks.

Mr. Darling: I think that the hon. Gentleman was largely being complimentary about what has been done. At the risk of being churlish, I put one point to him: that this matter rather demonstrates, does it not, what the United Kingdom can achieve in helping to shape the destiny of the world. What has happened over the last few months and in today's meeting demonstrate that the UK can deliver a lot, not just for the people that live in this country, but for the wider world.

Mr. Gordon Prentice (Pendle) (Lab): How much additional revenue does the Chancellor expect to get as a consequence of the crackdown on tax havens, and what happens to countries that refuse to co-operate in the exchange of tax information?

Mr. Darling: On the first question, I cannot provide an estimate today because much will depend on the way in which the agreement is actually implemented. Equally,

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on sanctions, we will need to discuss what happens, but it is important to maintain the momentum. As I said to the House earlier, under threat of being named and shamed, many countries were coming forward after years of saying they did not want to co-operate, to say that they wanted to sign up, and sign up quickly. That does help us, but it will work only if we maintain that momentum and do not let people think that once the storm has blown over, they can go back to the old ways.

Mr. Graham Brady (Altrincham and Sale, West) (Con): The whole House supports greater transparency in offshore financial centres, but will the Chancellor confirm that the British publicly owned banks will remain free to set their own policies in relation to tax, within the law, or will he seek to direct their decisions?

Mr. Darling: The banks in which we have shareholdings, just like any other banks or institutions, have to obey the law. In relation to tax, they have to comply with the tax law of this country.

Barry Gardiner (Brent, North) (Lab): Given that the world currently consumes each year the resources that the planet takes one year and four months to renew or replace, does my right hon. Friend agree that it is just as important that the G20 should have examined not only the credit bubble and fallout in the global economy, but the credit bubble in the global environment?

Mr. Darling: My hon. Friend raises a very important point. It is important to take account of the sustainability of everything we do, and this is an opportunity. I cannot remember which Opposition Member raised the point, but we have done a great deal over the last few years to increase the amount of money we spend in order to tackle climate change and protect our environment. We have introduced legislation—I think we are the only country so far legally to bind itself to meet demanding targets—providing another example of what can be done. As my hon. Friend knows, there is reference to the need to have regard to the long-term sustainability of what we do, so perhaps today's event should give heart to those who are aware of the importance of the Copenhagen meeting at the end of the year, when we really will need to sign up to some ambitious targets and be bound by them.

Peter Bottomley (Worthing, West) (Con): My constituency is one of those with a greater number of people out of work now than in February 1997, so getting jobs and trade going is important. It also has many pensioners. Will the Chancellor publish a review of the impact of the present crisis on pensioners and people soon to be pensioners, and on their savings, their income and the prospects of inflation taking away from them the income they have tried to squirrel away for their old age?

Mr. Darling: The hon. Gentleman is right that we need to ensure that we support older people—people who have retired. That is one of the reasons we introduced pension credit, which helps about half the pensioner households in the country. It is also why we made a £60 payment to pensioners earlier this year in order to put more money in their pockets. I am sorry that he opposed that.

Harry Cohen (Leyton and Wanstead) (Lab): Will the Chancellor convey my congratulations to the Prime Minister on bringing forward this world response to the global crisis? Does he accept, however, that it was the private investment banks that brought about the crisis by engaging in reckless speculation and building up toxic loans? My constituents want an assurance that conditions are in place to prevent those banks from doing that ever again. Can the Chancellor give that assurance?

Mr. Darling: My hon. Friend is right that we need to ensure that there is more robust supervision and regulation of these institutions. The only point I would raise—I would not disagree with him on it, but simply make an observation—is that, sadly, it was not just the investment banks that were responsible; it was also banks that were largely engaged in retail lending, such as Northern Rock. As we saw earlier in the week, part of the building society sector has been affected as well. I think that there are lessons to be drawn right across the financial services sector.

Sarah Teather (Brent, East) (LD): Does the Chancellor recognise that our ability to meet the millennium development goals to which he referred in his statement may be very adversely affected by the impact of climate change on the world's poorest countries? What hope does he have for a serious global deal at Copenhagen, given that the statements about the environment that emerged from the G20 today appear to be disappointingly vague?

Mr. Darling: Today's meeting reaffirmed the commitment to the millennium development goals. It is also important for countries not just to sign up to such goals, but to do what is necessary. I very much hope that Copenhagen is a success, but as the hon. Lady will know, while most Governments accept that climate change is a reality and that we need to do something about it, that view is not universally held. Moreover, some countries which acknowledge that climate change is a problem are not willing to do as much about it as they should. Today's meeting, however, showed that if there is a will, there is a way of getting through this, and the same spirit must be shown in Copenhagen later this year.

Mr. Christopher Chope (Christchurch) (Con): As a result of the G20, to what extent will the growth in the United Kingdom's economy be restored sooner than would otherwise be the case? Can the Chancellor put a figure on that, in terms of days or months? This is the sort of question to which my constituents want an answer, given that unemployment in my constituency has risen by 184 per cent. in a single year.

Mr. Darling: I agree with the hon. Gentleman that we should be concerned about anyone who loses a job, but my answer is rather different from his. I think that we actually need to do something about it. As for my forecast, he will have to wait until the Budget.

Mr. John Maples (Stratford-on-Avon) (Con): I hope that I am not reading too much into the Chancellor's desire to remove the stigma of going to the International Monetary Fund. If he has been checking the IMF's phone number, perhaps he should let us know.

The Chancellor said that the communiqué dealt with bank regulation. May I make a suggestion to him? I think that what is needed is not heavier or lighter or more expensive regulation, but more intelligent regulation. Regulators tend to regulate the problem that happened before, rather than looking forward and paying attention to things that are happening that may produce problems. We have never had a bigger regulatory apparatus than the Financial Services Authority, and it has failed. Will the Chancellor ensure that whatever reforms are instituted, nationally or internationally, include an effort to make regulation more intelligent and more forward-looking?

Mr. Darling: I have said on many occasions that what we need is effective regulation. That is the test, so I agree with the hon. Gentleman's point.

Mr. Andrew Pelling (Croydon, Central) (Ind): In his statement, the Chancellor referred to an extra $250 billion in export credit. What additional export credit will come from the United Kingdom Government for UK manufacturers and other people in business?

Mr. Darling: We are looking into that at the moment, and I hope that we shall have something to say about it in the not-too-distant future.

Mr. William Cash (Stone) (Con): The Chancellor referred to national supervision in relation to financial regulation, but in reply to my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) he also referred to common European rules. Will he categorically rule out the idea that the supervision of financial services and banking will be handed over to the European institutions and, ultimately, to the legal jurisdiction of the European Court of Justice? Yes or no?

Mr. Darling: I thought that the hon. Gentleman would ask a question like that. As soon as I mentioned the word "Europe", he perked up.

We probably will not agree on this, but I think that, especially when we know that there are banks and insurance companies trading in this country and throughout Europe, it makes sense for there to be a greater degree of co-operation—in the event of failure, for example—in the form of a common approach and a common set of rules. However, I also said that I believe that we do need to make sure that we have national supervisors and regulators who are responsible for regulating institutions based in this country. All I say to the hon. Gentleman is that at some stage, surely, he and his colleagues should recognise that the world has moved on; we are part of the European Union and he should wake up to that reality.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): My hon. Friend the shadow Chancellor asked a specific question to which he did not receive an answer. He asked how much of the finance that is proposed is new money and how much is money that is recycled and has already been announced. Will the Chancellor kindly address that question and give a precise breakdown?

Mr. Darling: I thought I had given the indication in my statement when I set out the money that was additional in relation to the International Monetary Fund, and other areas as well.

David Tredinnick (Bosworth) (Con): What assurances can the Chancellor give me that some of this vast increase in money will go to hard-pressed manufacturing in the midlands, which is finding things so difficult at present, and will he give the House an assurance that it will not go to supporting public sector jobs, which do not create wealth?

Mr. Darling: In relation to the hon. Gentleman's first point, I think it is important that we support industry in the midlands and in other parts of the country as well. Indeed, part of what we have been trying to do in the banking system to get credit flowing again is precisely to help businesses. I disagree with him in relation to the public sector. The public sector does support jobs, and each and every one of us relies to one degree or another on the public sector. I would also just say this to him specifically: if it were not for public sector construction at present, the construction industry would be facing an even tougher time. So I think the public sector does help, and I disagree with his party's proposal to take £5 billion out of the public services, starting yesterday.

Mr. Peter Bone (Wellingborough) (Con): Why is the Chancellor optimistic about concluding the Doha development round now in a recession and when countries are introducing protectionist measures, when it could not be concluded when economies were growing?

Mr. Darling: What I said was that we have to be optimistic because the alternative is much worse. Rather like exuberance, optimism is another thing that I am not accused of every day of the week. The hon. Gentleman's second point is important—although perhaps he did not intend to put it in the way that he did. He said that this is more difficult to do especially at a time like this when there is a downturn. The lesson from the 1930s is surely this: when there is a downturn, the temptation is to erect barriers, and that is what happened in the 1930s, with the result that the recession lasted right the way through, and it was really only at the time of the second world war that countries sat down and realised what had happened. That is why I say we have to be optimistic: we need, especially at this time, to look at breaking down trade barriers, because if we cannot sell goods and services to other countries, all of us will be poorer. That is why I think this is so important.

Mr. Philip Dunne (Ludlow) (Con): I am extremely grateful for your indulgence, Madam Deputy Speaker.

Restoring confidence is key. The Chancellor said in answer to a question from one of my hon. Friends that we all need to live within our means. Now, after the Chancellor has ripped up his predecessor's fiscal rules, what confidence can the markets, and particularly the gilt market, take from today's statement that this Government will live within their means?

Mr. Darling: It is important that all Governments— *[Interruption.]* I am sorry that the hon. Gentleman has lost interest already; I know he has been standing for a long time, but having asked his question, he might at least wait for the answer. I think it is important, first, that Governments support their economies just now, but also that they recognise the need to make sure they live within their means. That is recognised in the communiqué as well. There are two parts to this approach,

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and I disagree with the hon. Gentleman that it is somehow wrong to support the economy and that we should just wait and hope for the best. That was tried in the '80s and the 1990s and it did not work.

Business without Debate

BUSINESS OF THE HOUSE

Motion made,

That, at the sitting on Tuesday 21 April, notwithstanding Standing Order No. 20 (Time for taking private business) the Private Business set down by the Chairman of Ways and Means shall be entered upon (whether before, at or after 7.00 pm), and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business.—*(Helen Jones.)*

Hon. Members: Object.

Science and Innovation (Sedgefield)

Motion made, and Question proposed, That this House do now adjourn.—*(Helen Jones.)*

6.4 pm

Phil Wilson (Sedgefield) (Lab): I am grateful to have secured this Adjournment debate on science and innovation in Sedgefield. It gives me the opportunity to describe how the area has changed over recent years, and how it has reached out and grasped the technologies of the future that, only 10 years ago, belonged to the pages of science fiction, but which now are the fledgling companies of economic growth based on cutting-edge technological advances and innovation. That statement is not one usually associated with an area of the country whose traditional image remains, for a lot of people, one of coal mining. Today, I want to challenge that traditional view.

The slag heaps and pitheads have gone now, and those who are not from the area would find it very difficult to identify where they once scarred the landscape, because of the excellent reclamation work done by Durham county council. Even today, I am asked on occasion in London, when people realise I represent a constituency in the north-east, how long it takes to get there by train. "Does it take five hours?", they ask. In fact, it does not. To Darlington, my usual station stop, the train journey can be less than two hours 30 minutes from King's Cross.

I have heard it said that the location of the centre of science and innovation in Sedgefield, at NETPark, is not geographically correct because it is away from other centres of research and development, such as Oxford and Cambridge. I put such a statement down to a lack of understanding of what is going on in the area. It ignores the fact that Durham university, only a few miles away from Sedgefield, is one of the best universities in the world. If I may say so, that statement is infused with just a hint of regional snobbishness. The north-east is not on the other side of the world, and in our globalised economy the world is at our doorstep, not even a train journey away.

The last coal mine to close in Sedgefield was at Fishburn in 1974, some 35 years ago. The local coke works, also at Fishburn, closed in the mid-1980s. Both have gone, leaving a strong sense of community behind, but as I said, those who are not from the area would not know where the slag heaps and pithead stood, or where the chimneys at the coke works belched their stench into the sky.

Less than a mile to the south of Fishburn, on the site of an old psychiatric hospital, stands a cluster of less imposing buildings that are none the less important for the future prosperity of my constituents, County Durham and the north-east as a whole. This is NETPark, which is to play its part in creating a knowledge economy in County Durham in which tomorrow's jobs can be created today. It is fair to say that the north-east still faces significant economic problems, and although we are in the midst of a global economic downturn, progress has been made locally. Educational attainment levels are improving. The number of adults with qualifications and the number of businesses per head of population has increased above the national average. Today, there are 590 apprentices in my constituency; in 1997, there were, on average, only 20 per constituency.

NETPark is part of the north-east's strategy of building on those foundations by expanding the knowledge economy in the region and attracting high-value jobs with roots in the region, so that the prosperity of the north-east can grow. County Durham and the north-east have some world-class economic assets such as Durham university, which is ranked among the world's top research institutes. The university has strong links with NETPark and is one of the primary reasons NETPark is now seen as the most important science and technology park in the north-east.

What does the development of the knowledge economy mean for County Durham? The County Durham economic strategy 2008-13 sets out an ambitious programme, which underlines the importance of science and innovation for the county by growing the base of science and technology businesses. The most important ambition—it is starting to be realised but there is still much to do—is to commercialise the county's knowledge base and to increase the rate of spin-out and start-up companies emerging from NETPark, while working with One North East and others to address financial and other barriers to commercialisation, including manufacturing capacity.

The vision for me, as someone who has lived in the area all his life, is to ensure that the traditional industry of coal mining upon which the economy of County Durham was built over generations, and for which the county was known and is still remembered, is replaced by the traditional industry of science and innovation; and that, because of home-grown expertise, knowledge, imagination and determination, that industry remains a tradition long into a future in which change is a constant because of innovation, and the opportunities offered become part of the community, because cutting-edge opportunities are the way of life in the community. That will not happen overnight, but I do not see why such ambition cannot be realised in the long term.

NETPark is one of the key drivers in achieving that ambition. Let me tell the House about NETPark and what it has to offer. It was opened in 2004. The park was developed by Durham county council and is managed and promoted by County Durham Development Company. Its main focus is on nanotechnology, photonics, microsystems, energy, medical technology and printable electronics. The park is overseen by an advisory group, including One North East and the vice-chancellors of five universities in the north-east.

Let me describe just three of the technologies under development. ROAR Particles plc is a company based on the park. It is dedicated to the research, development and manufacture of nanotechnology-derived particles for forensics and counter-terrorism. The company has world-leading patented technologies that are not only superior to existing commercial products, but produce a whole new range of analysis. Using the particles as a powder, they can identify chemicals within minutes from a fingerprint, thus helping with the elimination of suspects and saving the police time and money.

Using the ROAR powder, fingerprints can be used to identify whether the person has been in contact with explosives, whether he or she smokes, has taken drugs such as cocaine or is using prescription drugs. Further research is under way to allow fingerprints to reveal the person's gender, ethnicity and age. I have also been told that, over time, the technology will be able to tell from a fingerprint what someone has had for breakfast.

Kromek uses a unique process for producing semiconductor crystals that dramatically reduces the cost of manufacturing X-ray scanners for security and medical applications, and improves the quality of the images and the speed at which they are produced. The company has attracted several millions dollars-worth of investment from US equity firm Amphion Innovations and is in talks with BAE Systems, the European Space Agency and Philips. The company opened on NETPark in January 2005, at which time there were two employees—today there are more than 40, and that figure is set to rise to more than 250 within three years. The company has won awards for its revolutionary work in colour X-ray technology and its development of X-ray explosives scanners.

The Printable Electronics Technology Centre—PETEC—was opened last month by the Business Secretary, Lord Mandelson. As part of the opening celebration that week, 200 visiting chief executive officers and leaders of businesses from 10 countries attended a two-day event at PETEC, which shows the importance of, and the high regard for, the contribution that the UK and PETEC are making to this technology. PETEC was established with a joint investment of £6.3 million from One North East and the County Durham Economic Partnership, which included £5 million from The Northern Way. A further £3.8 million of capital investment was sourced from the European regional development funds, and the Technology Strategy Board contributed £2.1 million towards the first platform of equipment installation in the centre.

Printed or plastic electronics are set to revolutionise consumer electronics with the introduction of electronics printed on to plastic and paper products; there will be an impact across most sectors—the automotive, retailing, energy, health care, design and fashion sectors—from new low-energy lighting and flexible rollable displays, among other applications. I am pleased that PETEC is the UK's high-tech, national centre for the development of the printed electronics industry.

The UK is often criticised for being good at early stage science and invention, but poor at commercialisation. The scale of investment needed to develop new concepts to the point of commercial revenue is typically 60 times that of the initial research spend—many products and many small companies fail at that stage. PETEC has been set up to provide support for this type of activity. It works hand-in-hand with universities and industry to drive the exploitation of this technology, and by de-risking this early stage of development, it will greatly increase the rate at which plastic electronics will be delivered to the wider market place.

At this time of global economic downturn, the introduction of new and innovative products is exactly what is needed to persuade the consumer to start purchasing again and to encourage the economic cycle to move on. This emerging industry is addressing those very issues. The launch of PETEC is the UK's latest substantial commitment to this sector. PETEC has already become involved in accelerating the commercialisation of new products by incubating early applications with industry—both small and medium-sized enterprises, and large companies. The Government and One North East are to be celebrated for realising this opportunity at this time.

[Phil Wilson]

Last week, the Select Committee on Innovation, Universities, Science and Skills published "Engineering: turning ideas into reality", a report that used PETEC as a case study. It also highlighted the importance of this technology to the UK economy, when it stated on page 31:

"IDTechEx—a company that provides global analysis of the printed electronics industry—estimated that the worldwide market for printed electronics will increase from $1.18 billion in 2007 to $48 billion by 2017 and $330 billion by 2027".

To put it bluntly, I want a piece of that action for the British economy and the economy of the north-east of England.

The impact of PETEC on County Durham has already been felt. Following a strategic operations review in 2006, there was a serious prospect of the closure of Thorn Lighting in County Durham with jobs transferred to eastern Europe. That was averted by the intervention of the County Durham Development Company and One North East, which led discussions with Durham university—PETEC—and Thorn's parent company, Zumtobel. In consequence, 600 jobs were safeguarded and a previously manufacturing-only facility has had 10-plus research and development jobs created so that the company can access PETEC and university facilities and expertise.

The Select Committee report that I mentioned earlier recommends, in paragraph 130m that

"the Government…engage with the plastic electronics community, and…articulate a strategic vision for the development of this innovative industry."

Can the Minister tell me how his Department intends to engage with the industry? Can I ask him, or his ministerial colleague Lord Drayson, to meet representatives from PETEC, the County Durham Development Company and others to discuss the potential that both PETEC and NETPark offer, and to travel to Sedgefield to see the vision in person?

Lord Drayson, in his oral evidence to the Committee, said:

"The next six to nine months is going to be very important indeed for SMEs. The opportunity is there to work with the financial institutions to ensure that, particularly in the £200,000 to £2 million range of funding, we make sure that adequate capital is available."

The Select Committee report at paragraph 118 also states:

"However, a thorough review of the support offered to businesses as they transition from early stage R&D to manufacture may be required if UK companies are to be world-leading in production rather than just research."

Will the Minister let me know his view on those points raised by the Committee, and will he say what progress has been made in securing capital in the £200,000 to £2 million range from financial institutions? Those issues could be stumbling blocks in the future.

The Government are to be congratulated on the work that they have done in securing revenue streams for the science and innovation field that were not there before.

I want to see NETPark develop and offer employment to people in the area whose families probably came to Sedgefield over the generations to work down the mines. Those jobs should not just be cleaning windows and cutting grass, but innovative jobs so they can have work in the traditional industries of the future. In those jobs, my constituents should be able to learn new skills and, although change might be a constant, it should not be change that they fear, but change that they can enjoy because they are in control of it and because they too are part of the knowledge economy. That is why I strongly endorse this Government's approach to education for the many, not the few.

I also want to welcome NETPark's role in developing what is called an innovation connector, which will help engage local businesses, establish science networks and engage the local community. Innovation connectors provide a particular geographical focus for science and innovation activities, which will drive overall regional growth and at the same time boost the regeneration of a particular locality. They will enable the development of world-class facilities and new approaches to integrating business and universities, and will engage communities, particularly through education, awareness raising and access to employment programmes.

The innovation connector will be either located within, or in proximity to, localities that are experiencing particular disadvantages and which have limited cohesion with more prosperous parts of the region. Specific actions will be implemented to align investment and enable these excluded areas and groups to access and benefit from investment in growth. The concept is intended to link areas of need directly to new areas of opportunity.

As an identified innovation connector, NETPark is being supported through public funding with European regional development fund match funding to enable expansion and connectivity with other regionally funded activities and the local community. The programme of activity is drawn together through an investment plan, with a potential ERDF investment of up to £14 million. These projects are in development and there is no certainty that they will be successful in their application for ERDF and other funding. However, it is anticipated that a number of them will proceed to delivery.

As NETPark grows in importance I want to see it become an integral part of the local community, and for there to be a sense of ownership and civic pride in it. That will come when jobs are created as the park grows in size and importance. NETPark is a real success story for Sedgefield and County Durham. It is a true centre of excellence in science, technology and engineering that will be a key driving force behind the county and the regional economy in the future.

We are going through a global economic downturn. One day that will end and facilities such as NETPark, where the public and private sectors have worked together, will stand astride a burgeoning landscape of science and innovation ready to take on the 21st century. NETPark's vision is to be a world-renowned science park, leading developments in the commercialisation of research and development in electronic and related technologies and spinning out manufacturing and service companies across the county while connecting the whole of County Durham as a science park via NETPark Net, which will connect NETPark to businesses in County Durham and the rest of the region. Finally, it hopes to be the home to high-value business throughout the county, offering job opportunities for local people.

Although clean coal technology should have a future, the coal industry in County Durham will never be the same as it used to be, although the principles of compassion

and solidarity remain in our communities. The coal mining era in Sedgefield has ended—may the new era of science and innovation in Sedgefield begin.

6.21 pm

The Minister of State, Department for Innovation, Universities and Skills (Mr. David Lammy): I congratulate my hon. Friend the Member for Sedgefield (Phil Wilson) on securing this debate. His deep concern for the economic prospects of Sedgefield and its people is well known and he has raised this issue in the House on a number of occasions. As recently as 12 March, my right hon. Friend the Secretary of State had the pleasure of joining him in welcoming the opening of the Printable Electronics Technology Centre, or PETEC, in his constituency.

My hon. Friend's determination to focus on his constituency's future is all the more commendable because, as he mentioned, it is no secret that Sedgefield is an area that has known hard times in the past. In the early 1930s, one in eight men in this country was unemployed. In Sedgefield, it was one in three. Everyone knows how badly the whole of County Durham suffered over a period of years from the contraction of the mining industry, culminating in the terrible winter of 1984-85. We all welcome the passion with which he brings this debate to the House and the manner in which he talks about the prospects for Sedgefield. We are very pleased that there is a revival. As my hon. Friend said, one industry is gone but the prospects for the young people of Sedgefield, in particular, to engage in science and innovation and to be at the cutting edge of this country's future must be maintained.

Anyone who still thinks of Sedgefield and its surrounding area as a monument to lost industries needs to revise their opinions. A dozen years of effort and investment have turned it into one of the most economically exciting parts of this country. Sedgefield showed the world its capacity to innovate in 1997, when it returned to Parliament the first Labour Prime Minister in 18 years. With initiatives such as PETEC, it is continuing to prove a source of new and exciting ideas. That excitement is one reason why I very much welcome the fact that some of the £13 million of funding that the centre has received has come from my Department through the Technology Strategy Board.

It does not take a scientist to see the great potential that cutting-edge technologies such as plastic electronics have for this country, nor, indeed, how important initiatives such as NETPark are in helping to turn innovations into practical business propositions. The development of new industries and the regeneration of regions such as the north-east have depended very much on such developments. With the ongoing support of Durham county council, One North East and the five north-east universities—I was very pleased to visit Newcastle university just a few weeks ago and to visit the Student Loans Company in the constituency of Darlington—NETPark offers the chance to create high-value, highly paid jobs and to establish an infrastructure of support jobs in professional and community services.

I know that my noble friend Lord Drayson, the Minister for Science and Innovation, met representatives from One North East and the Science and Industry Council earlier this week. They discussed PETEC and the importance of science, innovation and technology for the entire north-east region, and he is hoping to visit the region and my hon. Friend's constituency later this year.

It is frequently said that, for every job created in a science park, another 2.5 jobs are created elsewhere, but we know that the ratio has been much higher than that in some places. As my hon. Friend rightly pointed out, that fact alone presents a strong argument in favour of Government support for science and knowledge transfer. That is particularly important at times like these.

My right hon. Friend the Prime Minister recently gave a lecture at Oxford, in which he said:

> "Some say that now is not the time to invest, but the bottom line is that the downturn is no time to slow down our investment in science but to build more vigorously for the future. And so we will not allow science to become a victim of the recession, but rather focus on developing it as a key element of our path to recovery".

Indeed, investment in both science and knowledge transfer has reached unprecedented levels under this Government. By 2010, the science budget will have trebled from £1.3 billion in 1997 to more than £4 billion, while public funding for universities will have risen by 30 per cent. in real terms over the same period.

The Government have also provided more encouragement for universities to engage with businesses and to translate scientific discoveries into commercially marketable products. The higher education innovation fund, which we created, will be worth £150 million a year by the end of the current spending period. Our commitment to securing greater collaboration between higher education and business was reinforced further by last year's "Innovation Nation" White Paper and by our proposals on higher education at work.

That investment has already been reflected in a greater focus in the private sector on innovative, high-value products and services. In 2000, only 45 per cent. of UK companies were active in innovation, but that figure had risen to 68 per cent. by 2006. Plastic electronics is one of the fields to have benefited in particular from that investment. To date, the Government have invested more than £35 million in over 50 industrial collaborative research projects in that area alone.

Only a few months ago, the Technology Strategy Board announced approval of a £12 million project, supported by £6 million of grants, to develop full-colour flexible displays. A TSB-funded knowledge transfer network is also helping the development of businesses in plastic electronics supply chains. There are notable clusters around Cambridge in the south-east and in the north-east.

Those and other measures, such as research and development tax credits, provide substantial support to improve the performance and productivity of companies that are developing new technologies, by helping them to bring new products to market quickly. I know my hon. Friend will join me in acknowledging just how much benefit the Government's support for science, research and technology and knowledge transfer has brought to the economic regeneration not just of his constituency but of his region as a whole.

My Department welcomes the Select Committee report mentioned by my hon. Friend—"Engineering: turning ideas into reality". Its support for the UK's world-class engineering base is clear. It is quite a thick document, so it will take some time for the Government to respond, but we shall do so in due course. We take very seriously some of the recommendations that have been made.

[Mr. David Lammy]

The creation of new technologies and new products brings exciting new possibilities for the whole country, and the prospect of new and better jobs for its people. A few moments ago, I mentioned the extent to which the north-east economy suffered during the recessions of the 1930s and the 1980s. I know that the spectre of unemployment is still viewed by many people in the region as a real threat.

I am delighted that my hon. Friend has brought this debate to the House. The science and innovation in his constituency demonstrate what can be done, and the north-east is fast becoming a powerhouse in that field. I am pleased to support his desire to mobilise even further effort and I know that my noble Friend the Minister looks forward to visiting my hon. Friend's constituency. When I visit universities in the north-east, I, too, am keen to see such developments and, more important, how they work for local people.

I want to raise one further point, which is about what we now call "skills activism". We recognise that in the economic downturn we will need to be more proactive in helping young people and adults to identify future areas of growth. That will be important in my hon. Friend's constituency, and I suspect it lies behind much that he said towards the end of his speech about pointing his constituents towards what is clearly a much brighter future, notwithstanding the difficult times we are experiencing.

We in the Department for Innovation, Universities and Skills look forward to working with my hon. Friend and the regional development agency. I thank him for bringing the matter to the House.

Question put and agreed to.

6.32 pm

House adjourned.

Westminster Hall

Tuesday 24 March 2009

[MR. PETER ATKINSON *in the Chair*]

Rural Economy

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Watts.)*

9.30 am

Mr. James Gray (North Wiltshire) (Con): Although I am glad to have this important opportunity to discuss the rural economy as it faces the dreadful recession that our nation is collectively facing, the title of the debate is, to some limited degree, misleading in the sense that I am not sure that an absolutely clear, easily definable difference can be spotted between the rural economy and the urban economy, so, to some degree, it is a slightly false dichotomy and even risks being, in a way, patronising to our rural communities. It seems to indicate that the rural economy is all about farming, food production, tourism and rural crafts—that kind of thing—whereas by far the largest part of employment in the countryside today is manufacturing. Therefore, to a significant degree, the rural and urban economies are similar. I will come back to the stricter part of the rural economy in a moment.

I am glad to see that a large number of my hon. Friends have joined me. A second Liberal Democrat Member has arrived, so I am glad about that, too. There are one or two Labour Members present as well. This is a good turn-out to discuss these important matters.

Without being unduly constituency-minded, I thought I might use some examples from North Wiltshire, which is predominantly rural in terms of acreage—although most of the people tend to live in market towns and villages—to show how the national recession is affecting rural areas. North Wiltshire is not as rural as some parts of Cornwall or other parts of the west country, or other parts of England; none the less it counts as a rural or semi-rural constituency. Therefore our experience in North Wiltshire may be indicative of the kind of thing that is happening elsewhere.

Many people in my constituency who live in the depths of the countryside are deeply concerned about the announcement yesterday that Honda in Swindon is to cut its production and wages further and will be laying more people off. Who knows what the future of Honda is? It is astonishing to see the biggest employer in Swindon—Honda—shut down entirely. No cars are being produced at all until May. Many of the people in my constituency who work there are concerned about what will happen after May. Will we see an improvement?

Dolby Systems, the computer people in Wootton Bassett, chopped 70 people recently; the Faccenda chicken factory in Sutton Benger closed and lost 200 people; Hygrade meats in Chippenham lost 750 jobs; and the St. Ivel dairy in Wootton Bassett closed, with 250 job losses. It is only some 10 years ago—it is history, in a way—that James Dyson moved his manufacturing capability offshore, leaving Malmesbury in my constituency and going to Indonesia, saying that it was impossible to manufacture vacuum cleaners in a rural area such as mine and preferring Indonesia instead. The net result of all that is that, between June last year and January the number of jobseeker's allowance claimants in Wiltshire jumped from just under 3,000 to just over 5,000. In six months that figure has nearly, but not quite, doubled and is showing every sign of growing further in the months to come.

Business confidence, which is crucial to the whole thing, has collapsed. Some 66 per cent. of businesses in my area expect turnover and profits to be down in 2009, 50 per cent. are experiencing worsening cash flow and 33 per cent. expect to have reduced their staffing levels further by the end of the year. Whether rural or urban, those businesses are symptomatic of what is happening elsewhere in the economy, both in towns and in the countryside.

Angela Watkinson (Upminster) (Con): My hon. Friend will be aware that even London constituencies have rural parts. Upminster, for example, is 50 per cent. green belt and has farms on its border, where it has a boundary with rural Essex. The local economy depends on many very small businesses that are struggling in the current downturn.

Mr. Gray: My hon. Friend is right. The difference between rural and urban is often blurred, as it is in her constituency. I am glad that, as she inspired me to ask for this debate this morning, she has taken the trouble to come along and contribute to it. I hope that the decimation of the businesses in her constituency is less bad than she is predicting at the moment.

The figures being produced by the Office for National Statistics in respect of elsewhere in rural England are grave: they show that there is more economic inactivity in rural than urban areas and that unemployment is growing faster in rural than urban areas. Some 22 per cent. of firms surveyed in Cumbria have reduced staffing levels and 11 per cent. have made redundancies. The number of people applying for the JSA in Craven has increased by 66 per cent. In the constituency of my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), the shadow Foreign Secretary, which is probably one of the most prosperous, leafy areas in England and which has one of the largest Conservative majorities of any constituency, the number applying for the JSA has increased by 67 per cent.—just look at the increased unemployment in the most leafy part of England.

I am most grateful to the Country Land and Business Association, and particularly to John Mortimer of the south-west region who has done a good job in helping me to prepare for today's debate. He says that there has been a 106 per cent. increase in redundancies in rural areas compared with 57 per cent. in urban areas. Of course, in rural areas the sparser employment patterns mean that job losses are felt even more keenly. In a village with a small number of jobs a relatively small number of redundancies feels like an enormous number compared with an urban area where even a large number might disappear into the background, as it were.

Stuart Burgess of the Commission for Rural Communities—the excellent rural tsar—has said it all in his latest report called "Rural Economies Recession Intelligence":

[Mr. Gray]

"Communities and businesses across rural England face increasing deterioration—business closures, job losses, reduced working, lower consumer demand, and difficulty in securing bank funds. Bad news far outweighs the good."

If that is what the rural tsar appointed by the Prime Minister is saying, he cannot be accused of exaggerating the case.

Before the Minister leaps to her feet and says, "Never mind all that, farming is doing remarkably well," I remind her that people are saying that it is doing well. The Minister is shaking her head, so I hope that she will not say that. However, there are people who would say that farming is doing remarkably well. By comparison with the last 10 desperate years, farming is slightly better than it was. Nevertheless, the Minister should remember that input prices mean that arable profitability is now looking shaky, that milk is some 8 per cent. down from its high last year and that the average hill farmer's income is £15,000, which is less than the Government's official threshold for poverty—so they are below the Government's poverty level. Lowland farmers are at about £20,000 profitability, which is only just above the Government's poverty level. So farming may be off its low point, but it is by no means profitable.

There is a worrying development in people's purchasing habits, and I plead guilty in that regard. My income has not changed at all due to the credit crunch—as Members of Parliament we are paid precisely the same as we were before all this happened—but I have stopped going to Waitrose; I am going to Lidl and Aldi. It is all in the mind and there is no reason to do that, but I am doing it. Lidl and Aldi are reporting booming profits and are doing incredibly well, but they mainly buy their food from overseas. That is worrying for the future.

Dr. Andrew Murrison (Westbury) (Con): I expect that my hon. Friend will, like me, be distressed by the state of the British pork industry, which provides a good example of where imports have increased dramatically in recent years thanks to the Government's maladroit handling of differential animal welfare standards. Does he agree that one way around that might be to improve labelling so that people at least have the choice to buy British pork, which is reared to extremely high welfare standards, because at the moment that are unable to do so as they do not know what they are buying?

Mr. Gray: My hon. Friend and parliamentary neighbour makes a good point. He could easily have quoted from the Select Committee on Environment, Food and Rural Affairs inquiry into the pig industry, which, among other things, concluded that it is simply absurd that pork sausages, for example, can be labelled "Made in Britain", when in fact they come entirely from Danish pigs. He makes a good point. The situation that he mentions will make farming ever worse. We are merely exporting our high standards of animal welfare elsewhere. We buy our chickens from Thailand and our beef predominantly from South America.

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): I want to bring the hon. Gentleman back to the subject of where he shops, because I wonder when he last shopped in Aldi. Far be it from me to champion a particular supermarket—I shop in many—but my experience is that one can buy British products, apart from bacon, in Aldi if one is prepared to look for them and be discerning.

Mr. Gray: The Minister is right. I last shopped at Aldi last Saturday. There is a good new Aldi, and also a Lidl, in Melksham, which is in the constituency of my parliamentary neighbour, my right hon. and learned Friend the Member for Devizes (Mr. Ancram), 2 miles from my house. My other half religiously sends me to Aldi and Lidl in Melksham, despite not having a reason to do so because we could happily afford to go to Waitrose, and should be going to the local farm shops. I shall tell her that when I next speak to her, because we have three or four local farm shops, and we should pay that little extra to support local farmers. Lidl in Melksham will not see me coming through its door as a result of this debate, so I am grateful for the Minister's intervention on that front.

What about the other great urban myth that prosperous rural people live in quiet, prosperous, comfortable market towns? The Commission for Rural Communities—bless it—says that unemployment in market towns is higher than ever before and that the recession is taking a stronger grip there than elsewhere. *The Daily Telegraph* recently reported that one in six high street shops will be empty by the end of 2009, and that "retail deserts" are a real risk in most of our semi-urban, semi-rural constituencies. Ofcom recently announced that 15 per cent. of households in the country—the vast bulk of them being in rural areas—have no access to broadband. My constituency office cannot have broadband, which makes it difficult to operate, and small businesses, which are the backbone and the life blood of our rural areas, depend on broadband, and if they cannot have it, they cannot compete with bigger, urban-based businesses.

Compounding all that is the historic inequality of rural areas' access to essential services of all sorts. In rural areas, 1.6 million people live below the poverty line. The image is of rich people living in the leafy countryside, but 1.6 million of them live in poverty, much of it grinding poverty. Many of them have no car, and they live in terrible conditions and are extremely poor, but because of the image of leafy, green and pleasant countryside the presumption is that areas such as mine are prosperous. That is simply not true. Stuart Burgess described rural poverty as

"a forgotten city of disadvantage".

Rural poverty and our "retail deserts" are made much worse by the loss of local services such as surgeries, post offices, pubs, village shops, village halls, churches and public transport. All are progressively disappearing from our villages, which makes the poor who live there even more disadvantaged because they rely on those essential services, and the Government have done nothing to support them.

One in 13 rural primary schools has closed since Labour came to power. Only about half of rural households are within 2.5 miles of an NHS dentist or jobcentre, and this year the Government have closed down 20 per cent. more jobcentres, most of them in rural areas such as mine. There is a chronic shortage of affordable rural housing. Not only that, local government in rural areas is among the worst-funded in Britain. Wiltshire receives the lowest revenue support grant of any local authority in England, with the net result that it is difficult to break even on its budgets.

What is the solution? I was somewhat encouraged when I glanced at a recent press release from the Secretary of State for Environment, Food and Rural Affairs on 5 February 2009 which said:

"England's Rural Businesses will be vital in helping the country through tough economic times".

I thought that that was good news and sounded interesting. He went on to pledge

"Government support for rural communities and businesses"

and to say that he is

"determined to ensure that rural businesses benefit fully from Government help during the economic downturn."

It sounds pretty good if the Secretary of State is absolutely committed to helping rural businesses, treating the matter seriously and doing something to help our countryside. I looked forward to reading about radical solutions and real action, but this is what he plans to do:

"So today I am announcing that I will call together the Rural Advocate Stuart Burgess, the chairs of the RDAs and others to look at the impact of the recession on the rural economy and see what further assistance we can give through the National Economic Council."

Hooray. Goodness, he is going to call together the rural advocate and see what can be done. Thank goodness we have the Secretary of State. Gosh, he really is concerned. But what is he going to do? He is going to report to the National Economic Council. Will that great champion of rural England, the Prime Minister, take great strides to help out my community in Wiltshire? Lord Mandelson of north London or wherever he is from is not exactly the biggest ever champion of rural areas.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Herefordshire.

Mr. Gray: The hon. Gentleman corrects me and says that Lord Mandelson might have gone there once, perhaps on his bicycle, but he is from north London. I have no confidence that he and the Prime Minister have any commitment to doing anything to help our rural communities, and I do not believe that the much-lauded press release on the subject from the Secretary of State for Environment, Food and Rural Affairs stands for much more than yet more talking, yet more websites and yet more focus groups, so there will be more discussions, but no action.

Mr. Williams: I congratulate the hon. Gentleman on securing this important debate. He drew attention to the parlous state of rural businesses, but one issue that he has not touched on and which the group that the Secretary of State is getting together might consider is business rates, which will rise by nearly 5 per cent. next year because the retail prices index was 5 per cent. in September. It is likely to be minus something today. Is it not ludicrous to put up business rates by 5 per cent. for this year and put an added burden on rural businesses?

Mr. Gray: That is an extremely good point. Business rates in areas such as mine are having a grave effect, and the increase when we are facing deflation rather than inflation in real terms is worrying. In addition, the rates on empty properties, although now reduced thanks to the Government's late announcement, are still much more than they would have been had buildings simply stood empty.

Another good example is the increase in council tax. It is claimed everywhere to be only 3 or 4 per cent. and even that is quite a lot, but in areas such as mine villages are being brought into towns—Chippenham and Calne—and the increase in council tax resulting from that local government boundary change is 20 per cent. Such factors have a real effect on ordinary people, many of whom fear for their jobs.

I shall try to keep my contribution short, because I know that other hon. Members want to speak. Conservative Members have long called for real, practical, sensible and workmanlike actions that would have an effect on the sort of economic downturn that I have described. We have long called for a national loan guarantee fund to help businesses, particularly small businesses, and we have called for help by deferring VAT bills, cutting tax and national insurance, and cutting red tape for businesses and farms. Those actions would have immediate and real benefits for our wrecked rural economy.

The reality is that in towns and villages alike there is a terrible social price to be paid for the wreckage of the British economy. In Wiltshire, 77 per cent. of residents have reined in their spending in some way, 27 per cent. have seen an increase in their levels of debt, 24 per cent. are concerned about losing their jobs, 10 per cent. believe that they will struggle to pay their mortgage or rent, and 5 per cent. fear repossession of their homes. Rural areas and rural dwellers are facing just as much of an economic disaster, and perhaps a greater one, as urban ones, but our local economy and services are less well poised to survive it. These are grim and gloomy times for our market towns, our farmers, and our villages and country areas alike.

9.48 am

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to take part in this debate, not least because I have been trying for some weeks to obtain a debate on the rural economy, but I foolishly used the words "and the role of social enterprise", which do not seem to fit the selection criteria, but I shall say something about that. I welcome my fellow member of the Select Committee on Environment, Food and Rural Affairs, the hon. Member for North Wiltshire (Mr. Gray), but I was a wee bit concerned that he did not mention our excellent report on the potential of England's rural areas.

Mr. Gray: I left that to the hon. Gentleman.

Mr. Drew: The hon. Gentleman is leaving that to me. The report is a good starting point, and I do not deny many of the problems that rural Britain is facing, but I want to examine some other issues and where we should be going in dealing with current problems.

Let us start with the Select Committee report. Certainly I have some pride in what we penned. It is a good analysis of the problems and comes up with a number of solutions. There were two key points of inquiry that we started from. The first was the degree to which the rural economy can mainstream policies. We see this with the recession at the moment. The recession has an impact, but policies can also impact on the rural economy

[Mr. Drew]

in the same way as they do on the urban economy. I have never believed that we have a sacrosanct rural economy that sits in splendid isolation and is different from the rest of the country. I feel strongly that we caricature the rural economy in that way to our cost. We also too often fall into the trap of believing that there is one rural economy and that we can have policies that embrace that.

That is one reason why some of us were never happy about having any form of Ministry of rural affairs. It tends to make people believe that they can pull levers, but as the Select Committee has found time after time with our inquiries, DEFRA is unable to pull those levers in the rural economy, because so many of them are with—dare I say it?—higher-order Departments such as the Department for Children, Schools and Families, the Department of Health and the Department for Transport. Nevertheless, DEFRA can have an influence, and one of the good things that it has introduced is the idea of rural-proofing to see how wider policies are playing a part in the rural economy. That has become part of our lexicon.

The second point of inquiry was to consider the potential for economic growth. Again, I am a wee bit disappointed that although the hon. Member for North Wiltshire quoted Stuart Burgess on a number of occasions, he did not refer to what Stuart Burgess said on that issue. He came up with astounding figures when he said that the unlocked potential of the rural economy is worth between £236 billion and £347 billion. All parties need to consider that as their starting point. One problem is that we are not considering how development can be a keynote element in what we talk about and do.

My area is suffering because, again, there is a misunderstanding of the Strouds of this world. My area has a higher percentage of people employed in manufacturing than the national average and a higher percentage than anywhere else in Gloucestershire. At the moment, a number of the bigger firms face difficulties, which has a knock-on effect on the smaller firms. That said, one of the strange elements for someone such as me, who calls continually for a local supply chain, is that not having as much of a local supply chain as we want has meant that there has not been as great an impact on some of those smaller firms as I had feared. However, we do need to find ways to forestall some of the worst impacts of the recession.

Like other hon. Members, I am involved every week in negotiations to try to protect jobs—principally to secure training opportunities in two of the larger companies in my area, Renishaw and Delphi. I hope that my right hon. Friend the Minister will take this point away, although of course it is not her responsibility: we need to ensure that we get wage compensation into the automotive industry, so that we can give value to that training. I and a number of other hon. Members are calling for that.

Interestingly, agriculture is having almost a counter-cyclical impact on the economy. I do not believe that farming is going through an unalloyed period of joy. Nevertheless, the figures from 2007-08—the latest year for which we have figures—showed growth of nearly 40 per cent. in total income from farming. That can only be a good thing at the moment, because that money is going into the rural economy. The Committee's current inquiry is on food security. Without wishing to prejudge it in any way, I think that the future must be in our growing more of our own food. That means more farmers and more land. Although I could argue with the Government about the set-aside rules at the moment, perhaps we need to move on and consider the opportunities to which I have just referred, because that will help our rural economy and it really concentrates our minds on what opportunities there are.

There are other impacts on the rural economy. I think that the Government have a good record on protection of public services—bar the Post Office, which I shall deal with separately. In my area, we have blocked the closures of village schools, other than in one case, in which there was an amalgamation. In other parts of Gloucestershire there have been closures, but that is because there are, in effect, no young people living in those villages any more. All parties have to face up to the fact that there has been rural depopulation. There has not necessarily been a huge movement of people away, but there has been a change in terms of social class—we know about the cost of living and the cost of housing in those areas—and we have also seen the ageing of the countryside. That is having an enormous impact, and the more rural and peripheral the areas, the greater the impact has been. We must do something to overcome that.

When Labour came to power in 1997, some of us set up the Back-Bench group of rural Labour MPs and we did a rural audit. I think that that document has stood the test of time. I pay tribute to Peter Bradley, who was the chair. He is sadly no longer with us. We found that the overwhelming issue in rural Britain at that time was access to good public transport. Lack of such access was the reason why people either could not or did not live there. When we examined the issue again, housing had clearly moved way up the agenda. I suspect that at the moment the issue of jobs would be paramount in most people's minds. Again, we have to turn that into an opportunity, rather than just seeing it as a threat.

As the rural advocate, rural tsar or whatever we want to call Stuart Burgess has been saying, there is clearly untapped potential in the rural economy. That has as much to do with jobs as anything else. We must recognise that we have to create jobs in rural Britain, and that we can do so. If we do that, we have to have people who can live in rural Britain, and we have to have reasonable transport so that people can move about there.

The Government, with their rural transport grants and some of the things that they have done on health and a rural policy domain, have done well. The issue of the Post Office, however, is a running sore. I believe that the closures were often unnecessary and hurried and could have been dealt with in other ways. I have to say that dealing with Post Office Ltd or Royal Mail is part of the problem because they seem to have a death wish in terms of the services. I am pleased that at long last—through ideas such as the post bank and offering postal services, rather than the complete panoply of things that one would expect in a post office—we are beginning to move on and see how a flexible approach can begin to lock those services in.

Let us move on to the private sector. The situation is in a sense gloomier there, partly because of the current state of the economy, but more than anything because

of the way in which many of our villages have changed in terms of social stratification. We have seen the closure of shops and pubs, and we have seen other services dependent on them suffer. We could argue all day about the causes of that. I am pleased to see the work being done by the hon. Member for Leeds, North-West (Greg Mulholland). With the help of some of us, he has just made a submission regarding the Select Committee on Business and Enterprise inquiry into the future of pubs. That looks at, very straightforwardly, the role of pubcos—pub companies—which I think has been largely negative, and the way in which they have encouraged the closure of many pubs. The impact on shops has a lot to do with the lack of a market threshold and people not buying in their local shop. That is causing immense problems.

That brings me to where I see many of the answers. We need social enterprise because that is the way to keep services open. I have three voluntary shops in my constituency, and I am likely to get two more. The three existing shops are at North Nibley, Cowley and Whiteshill. Another is operating as a pseudo-social enterprise at Chalford, and I hope that a further shop will shortly open in Horsley. All of that has come about because of the will-power of the local population, with some help from outside. That is the way we need to go.

I want to link that to another issue. I pay tribute to two academic colleagues from the university of Gloucestershire, Nigel Curry and Stephen Owen, and to Kate Braithwaite from the Carnegie Institute, who have taught me what really goes on in rural areas. I want to advertise their work and I encourage the Minister to look at it, because there are some very interesting ideas about how we can provide, protect and improve services in rural Britain.

The other issue that I want to link to is asset-based rural community development, which uses the property base in rural communities. Like other hon. Members, I have argued strongly that some buildings are underused—the church is an obvious one, and there are also the village halls. We need to look at that asset base and do some interesting things with it. That is crucial at this time in the recession. That asset base gives us an opportunity, and that is where the state can help centrally. Innovative grants and support in the form of advice and encouragement are long overdue. That is where we need to go. We need to learn the lessons from what has gone wrong. Too often, the rural economy is seen as an anchor that pulls things back, but it can be a driver. There are opportunities, and I want us to act on them.

The key areas of housing, transport and jobs keep coming back, and we need to act on those and act quickly.

Mr. James Paice (South-East Cambridgeshire) (Con): I hesitate to prolong the hon. Gentleman's speech, but I am slightly puzzled. He started by telling us that it was wrong to say that there was any such thing as the rural economy, that it was all the same or that it would be a mistake to divide it, but he is now telling us that the rural economy is to lead the way forward. Which is it? Is there a rural economy or is there not?

Mr. Drew: There certainly is a rural economy, but my point is that it is a caricature to believe that we can just separate it from the wider economy. I am making specific points, and I hope that the official Opposition also have some, but as far as I know, their only point of policy is to reintroduce hunting, which rural Britain needs like a hole in the head. I will take lectures from no one about who is doing things in the rural economy, because there is a vacuousness in the official Opposition's approach, which is depressing.

To conclude, I am looking for the Government to recognise that the rural economy manifests the same problems as the wider economy. However, there are real opportunities at the moment, and we must not lose them in all the wider talk. We have problems with manufacturing that need to be addressed, but we also need to look at other issues, which come down to the usual things: providing leadership; recognising that there are no one-size-fits-all policies—policies need to evolve from the bottom up; concentrating on co-operation and on building a consensus; and making sure that we put resources in. That will not sort the recession out this time, but it will pay dividends in the long run when people are encouraged to live and work in rural areas and to deal with some of the problems there, including the ageing of the population, which causes huge problems in terms of care provision. That is what I hope DEFRA will do.

Mr. Gray: I would not have intervened had it not been for the fact that the hon. Gentleman was clearly not listening to my contribution, in which I laid out precisely what we would do. Is he seriously saying, however, that the two or three things that he mentioned—providing leadership, working from the bottom up and social enterprise—will help? The debate is about the effect of the recession on the rural economy. We are talking about tens of thousands of people across Britain losing their jobs and businesses going bankrupt right, left and centre. Does he seriously think that the two or three very laudable little enterprises that he mentioned will make a blind bit of difference to the recession in general?

Mr. Drew: I thank the hon. Gentleman for intervening, because that just shows how clueless the official Opposition are. They do not understand rural Britain—what they have said is tantamount to that. I am talking about the wider need and about how we regenerate rural areas, which is crucial in this time of recession.

I do not want to go on, because we clearly have a difference of opinion. I am pleased about that because it shows that the official Opposition have no policies on this issue and that they are part of the problem. I get fed up with Conservative councillors spending all their time blocking development that could be crucial to the prospects of the rural economy, whether it is housing, economic development or some of the other issues that we have mentioned. I am glad that we have had a difference of opinion. Normally I work on a consensual basis, but if the official Opposition want to say that they feel they can wave a magic wand at the issue, that is up to them. I am looking at the real problems of rural Britain and at how we face up to them.

10.5 am

Mark Williams (Ceredigion) (LD): It is a pleasure to serve under your chairmanship, Mr. Atkinson. I congratulate the hon. Member for North Wiltshire (Mr. Gray) on securing this important debate.

[Mark Williams]

I should say at the start that there is rurality and rurality—the hon. Gentleman alluded to that—and there are differences in the communities that we represent. We have heard about the farms on the periphery of Upminster and we have heard from Wiltshire and Gloucestershire. However, I represent a very rural, sparsely populated constituency of 440,000 acres and 147 villages.

The recession affects all parts of the country, of course, and national political and economic dimensions permeate every part of our constituencies. However, my point to the Minister—I am sure that she understands this—relates to the fragility of the rural community and particularly of its sparsely populated communities. I do not necessarily subscribe to the view that the recession is hitting rural areas harder than urban areas, but we none the less need to respond to that fragility. Rural communities find themselves on the brink and are struggling to ensure their future viability.

Like all hon. Members, I have been having discussions with small businesses in my constituency. Such businesses play the most vital role in our rural communities. More than half the people employed in my constituency are employed in micro-businesses—businesses that employ fewer than nine people. About two thirds of the people employed in my constituency are employed by businesses with 49 or fewer employees.

The chief concern of such small businesses is still the lack of credit from the banks. They are also concerned by the charges that the banks are levying. A Federation of Small Businesses survey found that 16 per cent. of small firms have seen an increase in their bank fees in recent months, while 33 per cent. said that the banks were imposing changes in their financial arrangements that would prove detrimental to their futures. The case has been well rehearsed, but there is a mismatch between what we hear from the Government in this place and what is being done on the ground.

As my hon. Friend the Member for Brecon and Radnorshire (Mr. Williams) suggested, there is also concern about the forthcoming 5 per cent. rise in business rates in England and Wales. The RPI in September 2008 was the determining factor, but inflation was then at its peak. Although my hon. Friend did not use the word today, he described the situation as "madness" during the last week's Welsh questions, and indeed it is—it is difficult for any of us to disagree with him. It is bad enough to hit businesses with a massive rise in business rates at any time, but when we are in the grip of the worst recession for a generation, it is entirely counter-productive. If our intention is to kick-start the economy, we should encourage businesses far more proactively. I urge the Minister to take back to the Treasury the message that we need an averaged RPI when we look at business rates, rather than a figure at a particular point in time.

My hon. Friend and the hon. Member for North Wiltshire alluded to empty property rates. The introduction of a £15,000 threshold is helpful, but many businesses are still suffering from having to pay full rates. Again, I ask the Minister to take that concern back to her colleagues.

The hon. Member for North Wiltshire is a member of the Environment, Food and Rural Affairs Committee, and the hon. Member for Stroud (Mr. Drew) mentioned its excellent report, so I hope that they will not mind me, as an interloper from Wales, briefly touching on it. The report focused on the potential in the rural economy, rather than just on the concerns that many of us have. I find it odd, as, I think, the Select Committee did, that DEFRA has not quantified the potential in rural communities. I hope that the Minister will give her backing to that recommendation. The sum that has been mentioned of, I think, £237 billion, represents huge potential for the rural community.

The report rightly highlights the position of rural issues within the Government, and points out that instead of making a rural affairs target a departmental strategic objective, those matters should be part of a cross-Government public service agreement. Of course, although DEFRA must pay attention to rural needs, other Departments certainly do not rural-proof their policies. I can give two parochial examples of that from west Wales. The new motorcycle testing regime requires testing to be carried out at a multi-purpose test centre. There will be none of those centres in Ceredigion or Powys, so my constituents will have round trips of 150 miles. The other example is the closure of tax offices. The closure of the office of Her Majesty's Revenue and Customs in Aberystwyth, in my constituency, was justified on the grounds that it was the smallest tax office in the country. Neither of those decisions was rural-proofed.

I have only one, very mild, criticism of the report, and that is its focus on the Commission for Rural Communities as the body that will have to consult on rural benchmarks and indicators. The CRC is an excellent body, with an excellent rural communities tsar, but it is an England-only body, and given that aspects of DEFRA policy are not devolved, I hope that Welsh bodies and Ministers will be consulted about non-devolved matters.

It is not possible to overstate the importance of broadband in the future of the rural economy, which would be significantly boosted by a universal service obligation, as Lord Carter identified in his report "Digital Britain". We await the final report for details about how that can be achieved. There are significant issues to overcome in some of our communities, not least of which is topography. We want a thorough report, but I hope that that will be swift. The new universal service obligation could certainly alter BT's current position as the supplier of internet infrastructure, and my concern is that with uncertainty about the future of the new USO, BT may be reluctant to carry out the work until the new system is in place. We need action on that now.

Much of rural Wales is blighted by "not-spots". It is not just a case of the speed at which broadband can be accessed; it is more that there are no broadband connections at all. Broadband is vital for rural communities, and they are mindful of its importance. The broadband think-tank Point Topic recently released a figure showing that 26.9 per cent. of people in Wales are unable to get 2 megabits per second connection. In that respect, Wales is second only to Northern Ireland, which has a figure of 32 per cent. BT claims that 99 per cent. of homes in Wales can access broadband, but that is not the experience in my constituency.

Some parts of the farming community have pointed out that they can do well in the recession. The growing popularity of locally sourced and organic food has given farmers opportunities—there is potential. The increase in lamb and beef prices has been welcomed,

although of course much of the benefit has been dulled by increased costs. There are, of course, other severe impediments to the farming sector. The chief concern among my constituents is the proposed introduction of compulsory electronic identification of sheep, even though that may seem like a peripheral issue. I was alarmed when, during a recent Prime Minister's questions, the hon. Member for Clwyd, West (Mr. Jones) raised the issue and he was roundly laughed at from the Labour Benches. The issue is a critical for hon. Members representing the farming community. The National Farmers Union revealed in a recent survey that 84 per cent. of sheep farmers in Wales said they would reduce their flock, and 32 per cent. said they would consider quitting altogether. The hon. Member for Stroud is of course right that we need to attract new people and young people into the farming sector, but that is not the way to do it in the less favoured areas of much of the country. The NFU has provided a vivid illustration of the concern in the industry about the plans in question.

I secured a debate on the matter last year. The Minister—I think that she had just been appointed—was extremely sympathetic to our cause, and there was cross-party agreement. The nationalist party in Wales, the Liberal Democrats, the Conservative party, and Labour voices as well, all sympathised very much with the view opposed to the proposal. I believe that the Council of Ministers meets this week, and it is essential that we put the matter back on to Europe's agenda.

Mr. Roger Williams: My hon. Friend raises an important point. As I understand it, the Minister may have been discussing the matter yesterday, so perhaps she can give us some news. There seems to be a growing body of opinion that the technology is not suitable for areas such as England and Wales, which have large sheep flocks, although it might be appropriate for smaller countries with smaller sheep populations. Surely, therefore, the system should be voluntary, not compulsory.

Mark Williams: I am sure that we shall hear from the Minister about that point later. I endorse my hon. Friend's comment about the inappropriateness of the so-called technology to our farming community.

Mr. Philip Dunne (Ludlow) (Con): Does the hon. Gentleman also agree that the whole objective of tagging is to ensure traceability of supply, but that once the head has come off the body in the slaughterhouse, traceability disappears, so the measure is perfectly pointless?

Mark Williams: The hon. Gentleman is right. There is a complete lack of coherence in the policy, and we need the Government to continue to make those points on our behalf and on behalf of the farming community, not least because it is strongly felt in that community that the measures already in place were robust enough to deal with the problems that the European Commission wanted to alleviate. I hope that we shall hear from the Minister whether progress has been made.

I shall leave my script now to talk more directly about the social issues raised by the hon. Member for Stroud. My constituency is rural, and I have no doubt that the sun is shining on the coast of Ceredigion today and that it all looks very rosy. However, underneath that picture is something more sinister. It is a convergence funding area for good reason. Many of my rural and urban communities have the National Assembly for Wales designation of Communities First area, because they have some of the highest rates of deprivation in not just Britain, but the entire European Union. Perhaps my vision of the essential ingredients of village communities is old-fashioned, but it is one in which there is still a functioning post office—not the van that trundles in intermittently and disappears, and which, I suspect, will disappear altogether in three years' time—in which there are churches and, to add to what the hon. Member for North Wiltshire said, chapels as well, and one where if there is still a last village shop, it has a sustainable future. We have heard about young people moving into a community. I suggest that if those essential ingredients of community have gone, if the village hall or old church or chapel has been sold to development when people have moved from outside and is no longer there for community use, if the community facilities and post office have gone, if the last shop has gone, if there are pressures on rural garages—something that has not been mentioned in the debate—and if the pub is under threat, there is very little incentive for young families to move into a community. That is, of course, all compounded by the economic situation.

In parts of rural Wales there is migration of young families away—goodness knows where to, given the enormity of the economic problems. The hon. Member for Stroud alluded to the fact that elderly people are moving in. That means elderly people living on the interest from their savings which, in the present climate, affects their purchasing power as well. That is the reality of rural life now. It is not in a box that is distinct from national pressures, but there is a sense of fragility about our communities, and we ignore that fragility at our peril.

10.19 am

Mr. Andrew Turner (Isle of Wight) (Con): I thank my hon. Friend the Member for North Wiltshire (Mr. Gray) for securing this valuable and timely debate. Rural communities are often the hardest hit during a recession, and a large factor is unemployment. People in rural areas are often at a natural disadvantage compared with those in urban areas. Large towns and cities have some advantages; for instance, comprehensive transport links and a multitude of employment choices. Many in rural areas are less able to seek employment at a considerable distance from their homes. Rural residents often have to rely for employment on a large number of small businesses, whereas urban areas provide a large number of large and medium-sized employers. When I say small, I mean really small: the average size of workplace on the island is one or two employees plus the owner. If those businesses are forced to lay off staff, or even to close, rural residents have few other options.

Many small businesses in rural areas exist in a symbiotic relationship with each other, and if one fails they all suffer. That can be a major problem for rural areas when unemployment or even recession takes hold. My constituency has had a history of relatively high unemployment, even during good economic times. We are in the bottom third in the number of residents that have employment. The recession is not helping. Indeed, the research paper "Unemployment by Constituency, February 2009" shows that we are 202nd in the United

[Mr. Andrew Turner]

Kingdom. We are in the fourth quintile for unemployment, and are eighth among the Conservative constituencies, so we understand what is happening.

However, matters could be worse. It is interesting to note that other nearby rural constituencies are feeling the effects of the recession more keenly. Isle of Wight was about four-fifths up the list for unemployment in February, but over the past year we have been well down the list. Other areas have a significantly increased yield: from Devon to Kent and from Cambridgeshire to Worcestershire, other constituencies are feeling the pinch more than us, although they may have less unemployment. Those areas of course are not islands, and they do not share our particular problems. Nevertheless, we will all head to rock bottom if more is not done.

Of great concern to me is the disadvantage that islanders in my constituency and elsewhere have over and above the average rural resident. Those not in employment do not often have the means to seek employment or retraining on the mainland. Isle of Wight residents have to travel to the island's ferry terminals, cross the five or so miles of the Solent at a cost of about £10 and travel on from the mainland terminal, and then repeat it on the return journey. That is significant, and I would like it to be taken more into account. If employment dries up on an island, the unemployed literally become trapped. It is a vicious circle.

I agree with the right hon. Member for West Dunbartonshire (John McFall), the Treasury Committee Chairman, on one matter. He said yesterday that the recession will leave lasting scars if more is not done to solve rising unemployment. More help is needed for rural and island communities to help them through the recession.

Mr. Dunne: My hon. Friend is making a powerful case for Isle of Wight and island communities generally. At this time of rising unemployment, particularly in rural areas, the Government are removing employment in departmental offices in rural areas—for instance, as others here today will know, offices are being closed by HMRC in rural areas, particularly along the Welsh borders—but the Jobcentre Plus offices that were closed last year now need to be reopened to cope with the increase in unemployment. Does my hon. Friend not agree that the Government are scoring own goals, and that they should put a stop to it?

Mr. Turner: I do, indeed. I understand well the point that my hon. Friend makes, and I congratulate him on inserting those words into our debate.

The Government need to get their act together, and get their economic policies, such as the loans guarantee scheme, up and running as quickly as possible. We need to protect small businesses against the recession in order to keep the economy in rural areas going. I hope that the Government will bear that in mind when deciding which businesses to bail out. If something is not done, I suspect that those areas will lag behind the rest of the country when it comes to getting back to work; and it and may even slow recovery.

Mr. Peter Atkinson (in the Chair): I call Mr. James Paice. I beg your pardon, Mr. Paice. First, I call Tim Farron.

10.26 am

Tim Farron (Westmorland and Lonsdale) (LD): Thank you, Mr. Atkinson. I am not sure whether to be flattered, but at least the hon. Member for South-East Cambridgeshire (Mr. Paice) has a few more minutes to prepare his speech. None the less, it is a pleasure to serve under your chairmanship.

I congratulate the hon. Member for North Wiltshire (Mr. Gray) on making a powerful opening speech. The debate is of immense importance to the House. Frankly, it ought to have been attended by more Members. However, as Members representing rural areas, we are not engaged in special pleading. We have many strengths, as well as facing many challenges. However, we feel that the rural economy presents a slightly different picture to the urban one.

We are concerned that the Government, and the apparatus of government in general, lack an understanding of the workings of rural communities. For instance, a number of the excellent civil servants that I meet see the countryside as something that is to be visited on the odd weekend; they do not understand the vitality of the rural community. That is part of the malaise; it is part of the problem.

As the Member of Parliament for a large chunk of the Lake district, part of the Yorkshire dales and a large swathe of south Cumbria that is just as beautiful but not in either, I have a body of evidence to draw on in my remarks. It is important to stress the strength of the rural economy. It is important to remind people that, much more than in urban areas, businesses and industries in the rural community are more likely to have a more positive balance sheet. We export more; we do more business outside our shores than the average business in an urban area. Our contribution to the bottom line of UK plc is therefore greater.

Over the past 10 years, the growth in rural areas of knowledge-intensive services, often home-based, has been at twice the rate of that in urban areas. Contrary to public perception, the percentage of people employed in manufacturing in rural areas is roughly the same as in urban areas. There is an innate strength in the rural economy, and it is important to acknowledge that before considering the fact that the recession is hitting us, and hitting us hard—and in some ways hitting us differently from urban Britain.

Unemployment is undoubtedly rising. I draw up experience in my constituency. Kendal serves the bulk of my constituency, and the local jobcentre has seen a tripling in the number of people claiming jobseeker's allowance for the first time. As we heard from other Members, we also struggle because the other jobcentre that serves my constituency closed a couple of years ago. It is at Ulverston, just outside my patch, in the constituency of Barrow and Furness, which is represented by the Secretary of State for Defence. That is having a critical effect on the ability of people living in the rural areas on the Furness and Cartmel peninsulas to find employment. The quality of Jobcentre Plus has undoubtedly increased, but it is not good if one cannot get to it. I think that that was incredibly short-sighted.

As has been mentioned by a number of hon. Members, rural areas have a higher proportion of older residents, who are more likely than others to rely on the income from savings. Negative inflation and almost non-existent

interest rates have a massive impact on the spending power of ordinary families in rural Britain, which, obviously, leads to a negative multiplier effect and people spending less money in their communities. We heard about the fragility of the rural economy from my hon. Friend the Member for Ceredigion (Mark Williams), who made an impassioned plea on behalf of his communities.

The drop in demand comes at a time when many of our rural services are already under threat. We have lost rural post offices owing to a deliberate closure programme and the removal of vital services that underpin post offices. As the hon. Member for Stroud (Mr. Drew) said, we have also lost village pubs, which is down not only to a reduction in demand, but to unfair competition and ownership legislation. That needs to be addressed immediately. Furthermore, over the past 20 or 30 years, we have also lost community shops, in part, due to unfair advantages granted to out-of-town supermarkets.

The recession has hit an infrastructure already weakened by bad Government policy over a number of years, but the ultimate strength of our rural communities centres on their creativity and resourcefulness. We should be proud of that and play to those strengths. I shall provide three quick examples from my constituency: the first is the Greyhound pub at Grizebeck, where I spent Friday night. It is a community-run pub that would have shut had it not been for the community volunteers running that enterprise. Secondly, I also went to the Storth post office, which is a community-owned, co-operative enterprise employing its own postmaster. Had it not been for those people, it would undoubtedly have shut. The third example is the Witherslack shop. The former post office closed down, and Post Office Ltd would not allow it to reopen, so the local people—this is a small community of 400 houses—raised £150,000 and worked with the local community land trust to reopen that outstanding local shop. All those wonderful examples, which demonstrate the vitality of rural communities, happened despite, and not because, of the Government. We need to play to the strengths of rural communities, not cause greater difficulties.

One of the great problems faced by rural areas is that we appear more affluent than we are, a point to which the hon. Member for North Wiltshire referred. Unemployment in many rural areas is relatively low, but we must not forget that employment, certainly in places such as mine, is very much part-time, low-paid and, because it is often in the tourism sector, seasonal. Another important indicator of poverty and well-being that is rarely acknowledged is the differential between average incomes and average house prices. In rural Britain, the gap between those two figures is greatest. In my constituency, the average house price, even with the drop in house prices, is 12 times the average income, which leaves the average person completely unable to afford their own home. Some 12,500 houses in my constituency were once council houses, and a few more than 3,000 still are, but now, with the great tragedy of repossession, more people are moving on to the waiting list. It is a real pressure-cooker situation and a problem that we need to address.

The development of more affordable housing would not only meet the needs of the hundreds of thousands of people in rural Britain who are desperate to escape the abysmal housing, or who have to move away from rural areas, which robs them of their vitality, but give a vital boost to the construction industry. That has to be done in a bottom-up and effective way. There is the will within rural communities—we are the opposite of nimbies—to build new more affordable homes, but the Government's one-size-fits-all regional spatial strategy is not the answer. It is counter-productive and a nonsense in a district such as mine, where more than half the land mass is in a national park so cannot be touched. That is why the regional spatial strategy should go.

We need to support rural communities in coming up with their own solutions. For example, in my area, we have trailed a "home on the farm" initiative, which allows farmers to develop under-used or disused farm buildings and turn them into affordable homes for local families. In the past few weeks, the first was built at Selside just north of Kendal. We also need to maintain consumer demand in rural communities and acknowledge the damaging impact on some of them of excessive second-home ownership. We need to consider ways of managing that problem, putting covenants on new builds and perhaps giving local authorities some tax-varying powers.

It is vital that farming, which is the backbone of the economy, be put at the top of the agenda. It tends to survive recessions—it tends not to do too well out of the booms either—because even in developed economies people still have to eat. They might change their demands and where they shop, but the bottom line is that they still need to eat. We are also blessed by the fact that British farmers are some of the most entrepreneurial in the world, producing the highest quality food and meeting by far the highest environmental and animal welfare standards in the world.

It is important to note, however, that British farming is at a crossroads, because despite the industry's huge strength in quality and innovation, the unit of production—the family farm—is under enormous pressure from the overly powerful players higher up the chain, such as, most notably, the supermarkets. The impact on the farming economy of this unfair market is huge. Despite British farming's many strengths, we have still lost 900 million litres of dairy production in the past three years, and dairy farmers still leave the industry at a rate of two a day.

Anecdotally, in my constituency, six out of every seven hill farmers have no line of succession. The hon. Member for North Wiltshire referred to livestock farmers' incomes, but it sounds like his livestock farmers are doing better than mine. Average hill farm incomes are significantly less than £10,000 a year, so no wonder that many question whether they have a future in the industry and struggle to persuade their children to follow them. Furthermore, I endorse the comments of my hon. Friends the Members for Ceredigion and for Brecon and Radnorshire (Mr. Williams) about sheep tagging, and I hope that the Minister will refer to the situation in Europe.

It is important that the Government accept the Liberal Democrat proposal for a supermarket regulator, rather than a toothless ombudsman, to provide control and power within the market and to ensure that farmers get a fair price for their produce. It is also important that we make good use of the public money invested in agriculture. It seems a nonsense that we are wasting £7 million a year handing out tiny cheques to people at

[Tim Farron]

the bottom end of single farm payments—people who, bless them, are not farmers—when that money could be redistributed and spent on, for example, setting up a new hill farm apprenticeship scheme. We should certainly do that.

I endorse the comments of the hon. Member for Ludlow (Mr. Dunne) about public sector jobs in rural areas. It is beyond me why the Government are pressing ahead with their tax office closure programme at a time like this. During British tourism week, it is important to ensure that we support British tourism and recognise that, in England, the funding for the marketing of tourism is dire compared with other parts of the United Kingdom. We should also recognise that, in the Lake district alone, we have a £1 billion industry giving vast amounts of money to the Exchequer, but getting very little back for marketing support.

There are real ways to boost our rural economy. We can make the food market fair through a supermarket regulator. We can ensure that taxpayers' money designed to support farmers does actually do so, and that it is not wasted on bureaucracy, but directed at helping a new generation of farmers to bring new vitality to the industry. At a time when we are wasting more than £10 billion of food a year, we could help farmers by investing in new anaerobic digestion facilities on farms—where people want them—to create clean energy and to dispose of waste. We could back companies in rural areas that want to reduce energy usage while creating employment. I must mention the croppers who provide the paper for *Hansard* who want a biodigester for their site in Burneside, but need £200,000 of public of money to buy one. That would be a massive service to the community, if only they could get it. We need a new deal for the countryside. Rural Britain should be seen as a living and vibrant set of communities that must be able to reach its potential and play to its strengths. We need a Government who understand rural communities and who are on the side of the many in those communities.

10.39 am

Mr. James Paice (South-East Cambridgeshire) (Con): I congratulate my hon. Friend the Member for North Wiltshire (Mr. Gray) on obtaining this debate, which, as several hon. Members have said, is perhaps long overdue. It reflects issues that concern nearly a quarter of the population of the United Kingdom. Obviously, much time is spent in this House debating issues of national importance, but usually as a generality. If we go any deeper, it is nearly always related to large-scale manufacturers or the industrial areas of the country, but rarely to the almost 25 per cent. of people who live in rural areas and the issues that affect them. I say to the hon. Member for Stroud (Mr. Drew) that, of course, countless issues affect all people regardless of where they live, who they are and what they earn, but certain aspects of living in rural communities are totally unique and have to be considered as such. He does such communities a disservice by saying that we should not even have a Ministry of rural affairs.

I want to start by referring to some good news. Last week, in the other place, the annual awards for country and rural industries were presented by the Countryside Alliance and others. We saw some wonderful examples of village stores and farm-based businesses. All sorts of different businesses, including a carriage maker, are making a great success of life in rural areas. However, even some of them are facing very real pressures. Such pressures are particularly unique to rural areas, but, obviously, have their own reflection in the wider urban areas.

In rural areas, there are more businesses proportionate to the number of people than there are in urban areas. I would argue that that reflects a higher level of entrepreneurship. As has been said, rural businesses are more likely to be selling into the international markets, but the vast majority employ fewer than 10 people, and a very large proportion employ fewer than five. The most important statistic, which underlines so many issues, is that the average earnings of people who work in rural areas—I am not talking about those who live in a rural area and commute to an urban area—are £4,655 a year less than the national average wage; that is very significant. The Government have not done much to understand that pretty fundamental distinction. We have heard several times about the closure of jobcentres. Some 23 per cent. of the population have just 4 per cent. of the jobcentres.

On the impact of the recession, the proportion of rural households living below the poverty line has risen from 16 to 19 per cent., which is almost one in five rural households. The hon. Member for Ceredigion (Mark Williams) referred to the tough social situation facing many of his constituents. He would probably agree with me that part of the problem in rural areas is that that poverty is so often hidden because it stands cheek by jowl with affluence. For example, an elderly person could be living in a run-down cottage that they may own, and nobody realises how badly off they are because next door—on both sides, perhaps—there are people with three cars who live a very different lifestyle. Therefore, we must pay particular attention to ensure that we address the problems of the smaller groups of individuals, because they form a large proportion of the population.

There is increasing evidence of a downturn in the turnover of village shops and others. The fact is that, although some would argue that this is not directly related to the recession, over the past 12 months there has been an almost 20 per cent. increase in robbery in rural areas. Bearing it in mind that we have had senior police officers warning society that crime would rise in the recession, I do not think that we should completely ignore that fact.

Let me now touch on farming. As hon. Members know, I stand second to nobody in my respect for the British farming community, but we should not overestimate its role in the rural economy. It is very important, but accounts for less than 5 per cent. of the rural work force. However, that ignores the supply chain and food manufacturing, which is often based on our own agricultural production.

The reality is that British agriculture is facing a relatively good situation at the moment. However, it is all very well to talk about a 40 per cent. increase in income, but 40 per cent. of virtually nothing does not add up to a great deal. We must be careful about such distorted statistics. You will know from your own constituency, Mr. Atkinson, that this great improvement in the fortunes of most sectors of agriculture has been brought about as a direct result of Government

incompetence. The fact is that the currency has collapsed, and imports of red meat have become much more expensive. That means that prices for our own red meat—beef and lamb—which is already in shorter supply than it used to be, are now at a much higher level. They have drawn up pig meat with them because they are linked. The price of feed wheat is around £100 a tonne, but it would have been only £80 a tonne had it not been for the collapse of sterling, and that would have destroyed the arable sector. Even the milk sector—it is probably facing the most difficult problems, with further price cuts anticipated in the coming months—would be far worse off were it not for the astonishing weakness of sterling, which is a direct consequence of Government policy.

Even if we accept that there is a relative improvement in agricultural fortunes, the industry is still faced with the problems of pesticides, electronic ID—I hope that the Minister will tell us why we had to depend on the Hungarians to table a motion on the subject yesterday when the British Government, who keep repeating their opposition, failed to do so—nitrate-vulnerable zones and the set-aside issue. I hope that the Minister can tell us when the Government will make an announcement about what they plan to do with the section 68 proposals that were part of the health check.

Let me turn to the other general issues affecting the economy, the first of which is credit insurance. I do not know about other hon. Members, but I find that businesses keep telling me about how much more difficult it is to gain credit insurance and how impossible it is to trade if they do not have it. One of the largest animal feed manufacturers recently told me that it had been instructed by its board not to trade with anybody who has not got credit insurance. That is a perfectly reasonable business decision to make, but it means that countless farmers are desperately trying to get credit insurance at a time of financial difficulty when nobody is tempted to provide it.

I visited a business in my constituency that produces electron microscopes. Although it operates from a small industrial base, it is the only such British manufacturer. It wants to double production this year, but it will require huge investment and that money is not forthcoming. I also spoke to a training business that is facing a drop in work as firms cut back on their spending.

Moreover, there are issues related to rurality and the distances that one has to travel to get to a jobcentre, to attend further training, to upgrade or gain new skills, or to go for another job. Those are specific issues relating to rural businesses. In addition, the fall in house prices is nowhere near sufficient to rejuvenate the opportunities for first-time buyers in rural areas. The multiples that I last saw were that the average rural home is about seven-and-a-half times the national average wage, and the average urban home is six times the national average wage. Such figures come at a time when we are trying to persuade people not to borrow massive multiples of their wage.

I support the idea of people getting together to run the village shop, the village pub or whatever. I have some good examples in my own constituency—I suspect that we all have—of communities working together. I am not aware of anyone having stepped in to save a post office because that decision was made from on high, rather than by the Post Office. Nevertheless, it is well worth doing.

As my hon. Friend the Member for North Wiltshire rightly said, steps need to be taken. This party did not support the Government's policy of putting public money into banks just for the sake of propping up the balance sheet or in the interests of shareholders; we supported it in order to enable money to keep flowing into perfectly viable, good businesses so that they can go on operating. We advocated a national loan guarantee scheme over and over. The Government, having criticised it for weeks, eventually announced the introduction of a pale pink imitation, but it does not yet exist. We are told that it may be introduced next week, but businesses are struggling now. To understand what is going on in rural areas, people must understand the unique nature of rural businesses, rural employment and rural communities.

Mr. Peter Atkinson (in the Chair): I call the Minister.

Mr. Gray: From Liverpool.

10.50 am

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): It is a pleasure to be here under your chairmanship, Mr. Atkinson. I know that the constituency that you represent gives you a keen interest in this debate. The hon. Member for North Wiltshire (Mr. Gray) is to be congratulated on securing the debate. Normally, the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), would have responded to this debate in detail, but he could not be here this morning as he is on Government business. However, I hope to be able to respond to the genuine concerns that have been expressed.

It is true that the recession is making life hard for many communities and businesses. As we have heard this morning, that is just as true of rural communities as it is of our towns and cities. It is important that we do not treat the two separately. I heard the comment that the hon. Member for North Wiltshire made from a sedentary position about my urban constituency of Liverpool, Wavertree, and I thought that it was somewhat ungenerous.

My hon. Friend the Member for Middlesbrough, South and East Cleveland (Dr. Kumar) has been urging me to respond robustly to some of the more ridiculous suggestions that the Labour party is unaware of the concerns of rural and farming communities. After all, more than 120 Labour Members represent rural constituencies. However, I will not respond to those suggestions, because I should take time to respond to other, more serious points, not the least of which concerns what happened yesterday at the Agriculture Council in Brussels.

In many ways, the economies of rural areas mirror those of urban areas, but rural areas boast businesses of all shapes and sizes, as hon. Members have said. They provide all sorts of goods and services, and change in rural communities continues apace. That can be seen particularly in the growth of high-tech and high-skill businesses. The Commission for Rural Communities tells us that in the past 10 years, the number of people

[Jane Kennedy]

working in businesses in rural areas has risen by nearly 300,000, which is more than twice the increase in urban areas. As the hon. Member for South-East Cambridgeshire (Mr. Paice) said, rural areas are home to about 1 million businesses—a quarter of England's total—providing just over 5.5 million jobs. Together, they have a turnover of more than £300 billion a year. In fact, there are more businesses for every 10,000 people in rural areas than in urban areas.

The evidence to date suggests that the impact of the current economic situation on rural areas is similar to its impact in urban areas. Not a single Member who has spoken has failed to mention concerns about rising unemployment and job losses. Many have listed the impacts on their constituency. The hon. Member for Westbury (Dr. Murrison), who is not in the Chamber just now, and other hon. Members drew attention to, and criticised, Government decisions to move Government work, as they described it, from rural communities into more urban settings. However, in my previous roles, I have spent many hours debating such issues, particularly how we collect taxes in this country. We need to modernise our tax collection systems, and that involves employing fewer people. In this economic climate, it would not be right for the public sector to be less efficient than it could and should be simply to provide employment. I know that hon. Members who have participated in this debate would not urge that of any Government.

The employment rate in rural and urban areas is similar, but there are proportionately more retired people and fewer unemployed people in rural areas. The proportion of people claiming unemployment-related benefits is rising at a similar rate in rural and urban areas. The number of redundancies is lower in rural areas in both absolute and proportional terms, but not by a great deal.

I am not complacent. As someone who represents a Liverpool constituency, I have particular reason to know the threat of serious unemployment, although I will not waste time drawing attention to the previous Government's attitude to dealing with unemployment. We need a better understanding of risk if we are to enable rural communities and businesses to survive the economic downturn. It may be that we should discuss those risks and how they should be managed on another occasion when we have more time.

I have been asked a couple of specific questions, and I shall respond to the question about e-ID, as I know that there is a lot of interest in it. It was discussed yesterday at the Agriculture Council, and a large number of countries—13 or 14, I think—took part in the debate. I would not say that I was overly encouraged by other member states' responses, but it was encouraging, at least, that many countries spoke in favour of the Hungarian motion to introduce e-ID on a voluntary basis. The Commission also responded relatively positively to my suggestion that it should consider further our proposals that would reduce even further the burdens of that otherwise costly regulation. Although I accept that not all rural businesses involve farming, businesses such as upland farmers and sheep farmers are critical to some of the most beautiful areas of the British countryside, and I accept the points made about such farmers' income.

We need to ensure that any regulation that we make is proportionate to the policy problem that we are trying to fix. There is unanimity not only among parties in the UK, but in the Welsh Assembly and Scottish Parliament, that the e-ID proposals, as they stand, are disproportionate and that the Commission's assessment of the impact is inadequate and should be revisited and renewed so that we can get a better understanding at Commission level of the proposals' potentially damaging impact. I am hopeful that we can make further progress with the Commission. The commissioner indicated that she was prepared to consider further details, including locating reading equipment at centres where sheep are brought in the normal course of business, whether in marketplaces or in abattoirs or processing plants.

As always happens in such debates, time is running away. My hon. Friend the Member for Stroud (Mr. Drew), who made a good and thoughtful contribution, referred to ways in which we could help rural communities through the recession. He promoted the idea of social enterprise—I agree. If anything, other parties demonstrated their lack of understanding of the potential benefits of such ideas in their responses to his proposals. The social enterprise model has strengths and could be adopted in a rural setting.

There are great pressures on the housing market at the moment, which is why the Government are taking steps to help home owners and first-time buyers in urban and rural areas, expanding the availability of shared equity, and working closely with lenders to keep people in their homes. For example, we are extending income support for mortgage interest payments to help people when they fall on hard times.

Finally, as I have only a few moments left, let me say that I agree with the comments of the hon. Member for North Wiltshire about broadband. We are working hard to ensure that funding is available through the regional development agencies to encourage and help farmers and other rural businesses to adopt and adapt to broadband.

Sri Lanka and the Commonwealth

11 am

Siobhain McDonagh (Mitcham and Morden) (Lab): I am grateful for the chance to debate an important matter. What is happening at the moment in Sri Lanka is an international humanitarian crisis, and the International Red Cross says that

"the humanitarian situation is deteriorating by the day."

Sri Lanka is, in many ways, a forgotten crisis. More than 3,000 people have been killed in Tamil areas of Sri Lanka since the end of January, and that is many more than the number who died in Gaza last autumn. Every day, 150,000 people are being shelled in the Sri Lankan Government's designated no-fire zone, and tens of thousands more are trapped in a thin strip of land—just 13 square miles—where the battles are taking place.

Despite those huge numbers, we must not forget that this is also a deeply personal tragedy. Every Friday, I hold an advice surgery for about five hours. As is the case for many MPs, barely a week goes by without me meeting constituents who have family members back home in the Tamil region of Sri Lanka. More than 70,000 people have been killed in the conflict; the numbers are so big that the crisis is almost impossible to comprehend. Each week, I meet constituents face to face who tell me their stories and fears for their families, which makes a complex international crisis very personal.

Tom Brake (Carshalton and Wallington) (LD): I would like to draw the hon. Lady's attention to a meeting that was held in my constituency a couple of weeks ago that was attended by nearly 600 Tamils. The meeting made clear the extent to which every person in that room had been affected by the conflict, either directly or through close families and friends.

Siobhain McDonagh: I agree with the hon. Gentleman, as would all hon. Members in the Chamber—their constituents have brought them here. The work of the Tamil community in Britain has tried to force this issue up the list of things that the Government are considering.

I have been trying to trace a number of constituents' relatives who are caught up in the conflict. Last week, I was told by the International Committee of the Red Cross that it is

"unfortunately, not able to carry out tracing in this area."

Throughout the debate, I hope that hon. Members will put themselves in the position of my constituents who have been told by the organisation that is most likely to be able to locate their families, "Sorry, we can't."

Britain's Tamil community is large and vibrant. It adds enormously to the economy and well-being of our country. There are approximately 250,000 Tamils within the M25. In my constituency, as I am sure in those of all hon. Members, they are hard-working, small business people; they are doctors or they are the people on whom we rely for the continuation and running of our cities.

Mr. Lee Scott (Ilford, North) (Con): Does the hon. Lady agree that the efforts of the Tamil community in Britain to raise humanitarian aid during the past two weeks should be commended, and that the Sri Lankan Government should be pressured to ensure that desperately needed humanitarian aid gets through when it is delivered?

Siobhain McDonagh: I agree with the hon. Gentleman. The work of the Tamil community in highlighting a cause to which people tend to close their eyes has been admirable. The Tamil community in my constituency works hard. People send their kids to university in overwhelming numbers. At this time of year, they come to my surgery desperate for places in grammar schools in the London borough of Sutton—as a secondary modern girl, I often find that challenge difficult. One constituent came to me to say how outraged he was that the Government were discriminating against pupils from public schools getting places at Oxford and Cambridge. That was a Tamil sub-postmaster in my constituency who had managed to afford to send his daughter to Wimbledon High school. How many people of our community in similar circumstances would be in a position to do that? That shows the emphasis placed on education within the Tamil community.

Andrew George (St. Ives) (LD): Not all of us have joined the debate because we have a large Tamil community within our constituency—I do not. I am here because I am a friend of Sri Lanka and I think that what is unfolding in that country, and has been doing so for years, is a situation of deep injustice. We need to recognise that although the country's Government may have a military victory, that is different to there being a military solution to the problem. We need to get back to a peace process.

Siobhain McDonagh: I commend the hon. Gentleman for his contribution to the debate and this cause. I am not as worthy as him. I became involved in this matter because my constituents came to see me in large numbers. I became even more concerned about Tamil young people—UK citizens who are often well-educated and in good jobs—who were frustrated by the feeling that nobody said anything about the plight of their friends and relatives. What are we saying to those young people if the British political system cannot take their concerns on board and democracy cannot work for them, as it does for other groups in our society?

Simon Hughes (North Southwark and Bermondsey) (LD): I thank the hon. Lady for initiating the debate. She will know that some of us have been arguing this case for years. That is not because we have many Tamil constituents, but because we have seen the danger for the Tamil people in Sri Lanka coming down the tracks. This is not a new issue for the international community, our Government, the EU or the Commonwealth. It has been obvious for many years that the Sri Lankan Government have not been willing to look after the Tamil people, and the treatment of those people has got worse and worse.

Siobhain McDonagh: The hon. Gentleman is correct. As we know, the situation is escalating, and every day more people are dying, or are injured and displaced. Individually and together, we have needed to exert huge pressure to get the profile for the issue that we have today.

The purpose of the debate is to call on our Government to exert all diplomatic efforts into ending the conflict. As the Sri Lankan Government have not been willing to end the conflict, I would like my Government to call for their suspension from the Commonwealth. The history

[Siobhain McDonagh]

of the conflict is long and bloody. There have been atrocities from both sides, but in recent months there have been consistent reports of what begins to look like genocide. The Sri Lankan Government have dropped cluster bombs on their own people. According to aid agencies, 1,000 amputees are desperate to be evacuated, but the Red Cross cannot get to them.

Meanwhile, civilians are being pummelled by artillery fire. The Government have been accused of using banned phosphorous weapons. They have attacked areas that have been designated as safe zones. The United Nations High Commissioner for Refugees has complained that its staff are not able to secure unhindered access to civilians coming out of the conflict zone. It said that it was

"deeply concerned about the plight of tens of thousands of innocent civilians trapped inside the shrinking conflict zone, where ongoing shelling and aerial bombardments are taking place."

Mr. Andrew Pelling (Croydon, Central) (Ind): I congratulate the hon. Lady on securing the debate. She is far too self-deprecating about the work that she has done to raise the profile of this issue. Does she agree that one of the reasons why so many hon. Members are asking the Government to look at sanctions is because of people such as Ann Veneman, the executive director of UNICEF, who says that there is an urgent need for access to provide humanitarian relief? There is a feeling that, unfortunately, the Sri Lankan Government are determined to act in such a way that we can only believe that genocide is occurring when, for example, there is bombing of so-called safe areas and havens.

Siobhain McDonagh: I agree with the hon. Gentleman, who has worked hard on this issue.

The UNHRC reports

"dire humanitarian conditions inside the area due to lack of essential goods and services like food and shelter, while medical care is said to be virtually non-existent."

It adds:

"The situation has worsened due to the ongoing heavy rains and winds, with most families living in flooded areas under damaged tarpaulin tents and under trees."

Of course, it has also complained about the actions of the Tamil Tigers or the Liberation Tigers of Tamil Eelam—LTTE. It describes

"harrowing tales of recruitment by the LTTE"

and calls on

"both parties to the conflict to adhere to International Humanitarian Laws and...to stop the bloodshed and facilitate the safe passage of those trapped inside the conflict zone."

Mr. Edward Davey (Kingston and Surbiton) (LD): The hon. Lady makes a powerful comment on how the Tamil people in the so-called safe zones are having to live. Is she aware that under some of the tarpaulin tents that people need to survive, there is extreme heat in the day and extreme cold at night? They have to build bunkers to escape the bombs of the Sri Lankan army. I have never heard of an intended encampment that has had to have bunkers.

Siobhain McDonagh: I agree with the hon. Gentleman, and I am sure that he has seen many videos and DVDs of people in those bunkers, which have been taken by very brave people in the area.

Amnesty International also criticises both sides. It has called for a truce and for humanitarian corridors to evacuate hundreds of thousands of trapped civilians, but it believes that the Sri Lankan Government need to answer accusations of war crimes and other breaches of international law. Amnesty says that that Government will allow displaced people to leave Government camps, even for emergency health care, only if they leave a family member in the camp as a safeguard against their escape, and that that policy violates the international legal prohibition against hostage taking. More significantly, Amnesty says that repeated shelling of the last working hospital in the town of Puthukkudiyiruppu—I apologise for my pronunciation—might constitute a war crime. It said:

"If the hospital was deliberately targeted...it would constitute a war crime. If the hospital was struck in the course of a disproportionate or an indiscriminate attack...this would also constitute a war crime".

The UN High Commissioner for Human Rights, Navanethem Pillay, has also said that the Government's actions may

"constitute violations of international human rights and humanitarian law."

Amnesty has made other serious accusations against the Sri Lankan Government, saying that they have

"directly and indirectly been involved in disappearances, extrajudicial killings, and explicit intimidation of critics. They have also silenced dissent in the south of the country to crush critical voices."

It added:

"It's clear from the way in which the government has intimidated editors, like requesting that newspapers don't cover particular stories such as the humanitarian crisis, that there has been a concerted campaign to silence the media."

Tom Brake: The hon. Lady is being very generous in giving way. I hope that when the Sri Lankan high commission in this country reads this debate, it will not seek to misinterpret what Members are saying. Does she agree that we are pressing for a ceasefire, for humanitarian aid to go in, and for the perpetrators of atrocities on whichever side, if necessary, to be brought before a war crimes tribunal?

Siobhain McDonagh: I absolutely agree, but many Members, perhaps including the hon. Gentleman, have been abused and insulted by the Sri Lankan high commission in the UK. Indeed, it recently suggested that my hon. Friend the Member for Hendon (Mr. Dismore) has a drug problem.

Mr. Andrew Dismore (Hendon) (Lab): I assure my hon. Friend that I do not have a drug problem, despite what the Sri Lankan Government say on their website. They have also suggested that I am embracing a terrorist regime, but I have been one of the main critics of the LTTE when I have stood up for Tamil people in the House. I have investigated whether it would be possible to sue the Sri Lankan Government for libel but, apparently, sovereign immunity means that I cannot. Bearing it in mind that the law does not allow us to hold that Government to account in the courts, I urge my hon.

Friend the Minister to bring pressure to bear on the Sri Lankan high commission to make sure that it stops these attacks on Members when we are simply doing our job.

Siobhain McDonagh: Amnesty also says:

"There has been no proper accountability for the killings that have happened in the last two years, so there is impunity for the perpetrators."

Such breaches of human rights are not acceptable. Governments must live up to the very highest codes of behaviour, but the Government of Sri Lanka are not doing so. Earlier this month, I joined protesters and other MPs, many of whom are in the Chamber, at a meeting of the Commonwealth Ministerial Action Group, at which we called for Commonwealth Ministers to suspend Sri Lanka for its human rights abuses against the Tamil community. The group was established in 1995 to deal with serious or persistent violations of the Harare declaration. It is clear to me that Sri Lanka has violated the terms of the declaration, and it must be clear to everyone that it has violated the spirit of the declaration.

There is now an opening for a truce. At the weekend, in an interview with Marie Colvin of *The Sunday Times*, Balasingham Nadesan, the political leader of the Tamil Tigers, called for an urgent ceasefire. He said that the Tigers would enter negotiations with the Sri Lankan Government "without pre-conditions" and:

"We call for a ceasefire, loudly and clearly".

The Sri Lankan Government could grasp this opportunity of a ceasefire, or else face international opprobrium. If Sri Lanka does not take this opportunity, it will need to be forced to the negotiating table through diplomatic means. The British Government should simply state that Sri Lanka should be suspended from the Commonwealth, and the process of suspension should commence. That is the purpose of this debate—I hope that the Government will listen to the concerns of my constituents.

I hope also that the debate will offer an opportunity to highlight on the world stage the truly appalling state of affairs there. Sadly, the media have not taken much interest in the ongoing humanitarian crisis in Sri Lanka, so it falls to us to draw attention to it. As Amnesty has said:

"One of the real concerns is that this is a war without witnesses...We just don't know what's been happening".

That is why Sri Lanka is, in many ways, a forgotten crisis. As I have said, 60 people a day are dying due to army bombardment in Tamil areas, and more people have been killed in the past five weeks than died in Gaza last autumn. I do not wish to diminish the importance and horror of what has happened in Gaza, and it is quite right that the conflict was front-page news and the first item on TV and radio bulletins for weeks on end, but there has been no such coverage of Sri Lanka. That is appalling, because astonishingly cruel things have been happening there and, as the Red Cross has said, things are getting worse.

The Sri Lankan Government do not allow independent monitors or members of the press into the affected areas, and journalists have been threatened or even murdered. Surely that is even more reason for the international media to report on this conflict. The media also have a hard time reporting in Zimbabwe and Gaza, but that usually hardens their resolve. When it comes to Sri Lanka, only a few notable exceptions print anything other than public relations material for the Government there. Award-winning war correspondent Marie Colvin is one such exception. She was attacked by Government forces when reporting in Sri Lanka and, as a result, suffered head and chest wounds and lost an eye. She spoke at a meeting of the all-party group on Tamils last week, and explained the dreadful conditions on the ground and the lengths to which the Government would go to wipe out their opponents.

However, for every Marie Colvin, there are dozens of papers with no coverage at all. As a daily reader of *The Times*, I was disgusted by its article last Friday complaining about demonstrations in which people waved Tamil flags. The article said that the Sri Lankan Government were unhappy about the flags being waved at demonstrations in countries such as Britain and that the people doing so represented terrorists from the Tamil Tigers. In fact, they did not, but that is beside the point. What is going on with a paper's sense of proportion when it prints stories about flags, but not about thousands of people being killed or displaced every month? Amnesty is right to say that this is a conflict without witnesses, and it is our role, as Members of Parliament, to provide a testimony. The Sri Lankan Government have done an amazing job of repressing dissent internally, and have done a brilliant PR job around the world. They are wiping out an ethnic minority and saying that the Tamils want a bloodbath so that there will be international intervention. They have also cowed the UN, which is now apparently afraid to speak out in case it is expelled from the conflict zone.

Andrew George: The hon. Lady is making a strong case. Throughout the conflict, but especially at this stage, independent human rights monitors should be in the north and east of the country. Indeed, they should have been there for a long time. Does she agree that if the Tamil Tigers are prepared to enter negotiations, there should be no pre-conditions, as they have discussed? That is the only way in which any kind of progress will be made. Does she agree that negotiations should engage the whole Tamil community in the north and east of the country, not just the Tamil Tigers?

Siobhain McDonagh: Yes, I agree that all sides should be included in any negotiations. As *The Sunday Times* reported this week, the deputy leader of the Tigers has said there are no pre-conditions to their call for a ceasefire. What was not printed in the paper, but was certainly said to Marie Colvin, is that they would abide by and accept the outcome of a referendum of the people of Sri Lanka. That goes further than anyone could previously have anticipated.

Stephen Pound (Ealing, North) (Lab): I am sorry to interrupt my hon. Friend's flow. She mentioned that the Government of Sri Lanka have run a successful PR campaign, but does she agree that if Members of Parliament receive one more photograph—we seem to be receiving such photographs hourly—of a Government of Sri Lankan soldier cradling a Tamil child, it will have completely the opposite effect of that intended? I am starting to doubt seriously the veracity of that propaganda—not that I had an enormous amount of belief in it in the first place—because it there is simply too much and it is too indiscriminate.

Siobhain McDonagh: I agree with my hon. Friend, but the unfortunate thing is that the Sri Lankan Government are tremendously successful at propaganda. I have gone around the House to ask Members from all parties to sign early-day motions asking for the suspension of Sri Lanka from the Commonwealth, but hon. Members in the Chamber would be amazed by the number of people who want nothing to do with the matter and do not want to talk about it. They believe that the Tigers are terrorists and therefore they are not willing to engage on the issue. The Sri Lankan Government have been incredibly successful at propaganda and that is why we have to be witnesses to what is going on and we have to say what is happening.

Joan Ryan (Enfield, North) (Lab): On the Commonwealth issue, does my hon. Friend think that it is appropriate—I am sure that she does not, but I ask her so that she can comment on the matter—that Sri Lanka itself sits on the Commonwealth Ministerial Action Group? That is the very body that has to test whether a country is meeting the Harare principles and that could therefore opine on whether there should be a suspension of Sri Lanka from the Commonwealth.

Siobhain McDonagh: My right hon. Friend is right. She has worked as hard as anybody on the issue—in fact, we worked together on the whole matter. It is so frustrating that this is happening—it is almost beyond words. People are not listening, and those speaking out almost feel as if they are in a dream, and like they are shouting and no voice is coming out. As I said, that is why we have to be witnesses.

During the 11 years I have been in the House, I have never spoken in a debate on an international issue. I am not somebody who would ever regard themselves as a House of Commons person. I find the environment quite pompous and I think that people speak for too long—just as I am currently doing. However, today I fully understand the importance of people speaking out and saying something here independently. If we do not do so, who will? We must put every pressure that we can on the Government, who have acted swiftly over the past few weeks and months, to do more. If we do not ask them to do more, who will? This Parliament has to say that the conflict needs a truce.

I am pleased to have had the opportunity to raise an issue that affects many of my constituents. I hope that the Government will do their best to shame the Sri Lankan Government into a ceasefire, and if they do not stop fighting, our Government should begin the process of expelling Sri Lanka from the Commonwealth. I hope that the media will pay attention to this forgotten conflict and that my constituents will hear that their families are once again safe and sound.

Several hon. Members *rose—*

Mr. Peter Atkinson (in the Chair): Order. I inform hon. Members that we normally start the wind-ups about midday. I see that about six Members wish to speak, so perhaps they could bear in mind the advice of the hon. Member for Mitcham and Morden (Siobhain McDonagh) and keep their speeches short.

11.23 am

Mr. Lee Scott (Ilford, North) (Con): I congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing the debate. It is vital that we raise these issues, but I promise to be brief, Mr. Atkinson.

My constituents are, like those of the hon. Lady, concerned about their families and what is happening. We are the only voices who can put forward those concerns because, as has been said, our media are not doing so. With every other conflict of recent times, people have turned on the news and it has been a No. 1 or No. 2 item. However, I cannot remember the last time I have seen anything on any news bulletin about this issue. A tragedy is unfolding and innocent people are losing their lives.

Like the hon. Member for Hendon (Mr. Dismore), I have always spoken up against terrorism and will continue to do so. However, we are not talking about that; we are talking about innocent women, children and men being killed every day. The world seems to be saying nothing and is completely silent. I agree with the hon. Member for Mitcham and Morden: pressure must be brought to bear on the Sri Lankan Government. If that pressure has to take the form of a suspension from the Commonwealth, and that is what it will take to get the message through that a ceasefire must happen now, so be it.

Particularly over the past few months, but also in the past few weeks, hon. Members from all parties have been calling for that ceasefire. We attended a meeting with the Foreign Secretary, and a number of us also met the Prime Minister to discuss the issue. Everyone is calling for a ceasefire, but it seems that the Sri Lankan Government are not taking a blind bit of notice of what anyone anywhere in the world is saying. That has to stop and it has to stop now. In four or six weeks' time we cannot still be saying exactly the same thing, because a lack of action will mean that more innocent people have been dying.

My constituents, like those of the hon. Member for Mitcham and Morden, come from all walks of life. However, a few weeks ago, they gathered to raise money and humanitarian aid to help the young people and those who are suffering so terribly. I sincerely hope that that aid is allowed through to the people who so desperately need it now. The world should hang its head in shame if it allows what is happening to continue.

Like the hon. Lady, I have spoken to colleagues about the matter, some of whom gave me the same response that she received. The high commission's public relations machine has to be commended, because, like other hon. Members, I get e-mails from it perhaps two or three times a day. Some of the things that the Sri Lankan Government have said about anyone who dares to speak up about providing humanitarian aid for those who are suffering are deplorable. They should ashamed of what they have said about hon. Members who are purely doing their jobs and representing their constituents' concerns about humanitarian issues. I hope that that is taken on board when they read the report of the debate. If they stop saying such things, they might find that people have a different opinion.

A wise man once said, "With whom can I talk peace, but my enemies?" He was right. I hope that the Sri Lankan Government will listen, talk peace and stop the

carnage now. Perhaps there can then be a peaceful future for everyone in Sri Lanka and people will be able to live in harmony together. Perhaps they can be educated, have food on their tables, a roof over their head, hospital treatment when they need it, and motorways opened. If that can happen, we will have done some good in this House of Commons. I will end my contribution there, Mr. Atkinson, but I would like to apologise for the fact that at approximately quarter to 12, I have to go to a meeting that was arranged weeks ago. I apologise for having to leave at that time, but I felt it important to be here and say those few words.

11.27 am

Joan Ryan (Enfield, North) (Lab): I congratulate my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) on not only securing the debate, but putting the case for action so eloquently. That is what is crucial about this morning. It is not just about a debate or words; it is a call for action. My hon. Friend has called for Sri Lanka to be suspended from the Commonwealth. In recent weeks, there have been calls for our Government to seek a UN Security Council resolution. None of those things are happening. However, the Prime Minister is, I believe, the first world leader to call for a ceasefire. That call was very welcome and genuine. We were all pleased to hear that call, but it was some weeks ago, and we know that fine words and good intentions on the part of all of us here will not save a single life. The time for action is now.

We have outlined all the arguments and we must continue to do so, because the matter is not high enough up the political or media agenda to get the attention it so clearly needs and deserves. It is worth repeating some of my hon. Friend's points. I refer particularly to the leaked report by the United Nations Office of the Resident/Humanitarian Coordinator that put the total minimum number of civilian casualties between 20 January and 7 March 2009 at 9,924, including 2,683 deaths. It was later conceded that the figure was likely to be a gross underestimate. Those are numbers, but if 2,683 people were lined up to greet us in Westminster Hall, we would see exactly what the number means—and that is just since 20 January.

This is a catastrophe, and we know that it is happening. We do see some images, but not enough. There is not enough of a sense of reality about the situation. If there were, I cannot believe that action would not be taken.

The most important thing that has happened recently is the offer that was made at the weekend. In fact, it was more than an offer. As has been said, the political leader of the Tamil Tigers, Balasingham Nadesan, pleaded for a ceasefire, and I understand that less than three weeks ago a ceasefire offer was put on the table, again by the Tamil Tigers, but was rejected out of hand by Sri Lanka. The excuse is made by the Sri Lankan Government that they made offers a year or more ago that were not taken up. That does not make it okay not to listen to a ceasefire offer now. Given the number of people who are dying or being injured, a ceasefire is required immediately. If it was right for the Sri Lankan Government to suggest some time ago that there should be a ceasefire, surely it must be right for them to take up such offers now. It is completely contradictory to ignore the pleadings for a ceasefire, in the face of the situation and the suffering.

An important point that is worth noting—it has been made by several Members—is the willingness to enter negotiations without preconditions. I do not understand how Sri Lanka can refuse that offer. It gives our Government every possible opening to put on as much pressure as they can, and to urge other Governments around the world—not least the Government of India, who should be playing a much more high-profile role in this matter—to put pressure on the Government of Sri Lanka.

Undoubtedly, if the evidence could be collected, we would see that war crimes are being committed. The Government of Sri Lanka have unambiguously and wilfully failed to meet their obligations. The Geneva convention states:

> "In order to ensure respect for and protection of the civilian population and civilian objects, the Parties to the conflict shall at all times distinguish between the civilian population and combatants and between civilian objects and military objectives and accordingly shall direct their operations only against military objectives."

On any reading of the situation, we could not say that the Government of Sri Lanka are meeting those obligations, given their indiscriminate attacks and use of cluster bombs, multi-barrel rocket launchers and white phosphorous. Indeed, the Sri Lankan Government have publicly abrogated their duty to protect civilians. On 2 February, the Sri Lankan Ministry of Defence, Public Security, Law and Order stated:

> "While the Security Forces accept all responsibility to ensure the safety and protection of civilians in the Safety Zones, they are unable to give such an assurance to those who remain outside these zones. Therefore, the government, with full responsibility, urges all civilians to come to the Safety Zones".

Of course, we have heard time and again in recent weeks of the bombing of safety zones and hospitals. Indeed, the last hospital has now been bombed and is no longer operating. We have had reports of casualties on the beaches, and feet blown off by land mines. Those aid agencies that are there and are able to operate have to choose between the most severely injured and the badly injured, and have to leave the badly injured lying on the beach. That cannot by any stretch of the imagination be considered humane treatment.

This is a humanitarian crisis and a violation of human rights. It is beyond our imagining, but we must try to put ourselves in that place, because no one is speaking up for those people. They have no voice, but, surely, giving them a voice is one of our first responsibilities.

Like my hon. Friend the Member for Mitcham and Morden, I have people coming to my surgery about this issue. I do not have a large Tamil population, but those families who do come to my surgery are absolutely frantic. They do not know whether their family and friends are displaced, injured or, worse, dead. They have no contact whatsoever, but they know what we know and what the world chooses to ignore about severely injured people lying on beaches.

Sometimes when we explain such things or speak about genocide, people say that we are using purple prose, or embellishing in some way. They say that we should not use the word "genocide" because it is a serious charge. Yes, it is the most serious of charges, but I believe that, unfortunately, we can use such terms in this situation. Our description of the horror, fear, injuries and deaths of innocent Tamil people and what they are suffering is not purple prose. The hon. Member for

[Joan Ryan]

Kingston and Surbiton (Mr. Davey) outlined the horror and fear of people who have to survive day to day—if they manage to survive. That is a reality. We stand here in comfort and warmth and discuss the situation, but we do not see any action. We need action.

I understand the argument that is being made in the Chamber—that it would be worse if we did not get a UN Security Council resolution than if we did. I believe that it was the Chairman of the Foreign Affairs Committee, my hon. Friend the Member for Ilford, South (Mike Gapes), who said at the last Foreign and Commonwealth Affairs questions that Russia would veto such a resolution, or was making it clear behind the scenes that it would do so. There is a discussion to be had as to whether we should be opening this up. We should be speaking to Russia through diplomatic channels. Perhaps my hon. Friend the Minister cannot comment on that—perhaps it is happening and he is not able to go into much detail. However, I want to put it on the record that many Members of Parliament and others—Professor Boyle, for instance, who recently circulated a paper—feel that it might be about time to put the matter on the agenda or at least to have a discussion about it, instead of allowing Russia, if Russia is the problem, to hide behind the fact that it is not on the agenda. I sincerely hope that my hon. Friend and his colleagues are having such discussions.

James Duddridge (Rochford and Southend, East) (Con): Hon. Members have made a powerful case for suspending Sri Lanka from the Commonwealth, and there has been talk of the Harare declaration. Of course, Zimbabwe has been suspended from the Commonwealth with very little effect. I wonder whether suspension from the Commonwealth only really makes sense as a stepping stone and a rallying point to a UN resolution, and whether in practical terms—other than giving voice to a subject that does not have a proper voice in the UK—it would not actually be that substantive to the Government of Sri Lanka unless it led to the next stepping stone, which would be a full UN resolution.

Joan Ryan: I thank the hon. Gentleman, who makes my case for me, and I agree with him. Suspension from the Commonwealth is an important step, and the Commonwealth is an important organisation. It is hugely respected by its members and those outside it. Such a move would be a stepping stone, but an important one. An important organisation consisting of a group of countries that work together would be saying, "We will not tolerate this in our midst. This is not acceptable." Sri Lanka would be told that it must desist from such activity, stop genocidal warfare and sue for peace. That would be an appropriate thing for the Commonwealth to do. However, I agree with the hon. Gentleman. My case is that suspension would be an important step but it cannot be the only measure because, of itself, it might not bring the results that we need. That is why the UN is so important and why we need to move the debate on to this issue. Even if it does not go to the Security Council at this time—although I think that it possibly should—we should be having the debate.

We have been wary of moving towards such a debate. As my hon. Friend the Member for Mitcham and Morden said, the UN seems to have been cowed and we all seem to be wary of raising the issue with the UN, but does that not show that this is a testing time for the UN and that it needs to take up the issue? The Sri Lankan Government have attempted to reject a special representative appointed by our Prime Minister, on the ground that they were not consulted—as if they are consulted on the ministerial appointments or any other appointments that the Prime Minister makes. It is an outrageous argument. We have seen them do that, and the UN needs to take steps. Whatever the UN may be, it can do more than it is currently doing, and I want our Government to push it to do just that.

The Sri Lankan Government have accepted that there is no political solution; they have said as much themselves. So, if there is no political solution, what are they doing perpetrating—pushing forward—the war? I do not deny that the Tamil Tigers have also committed atrocities, and none of us present would defend them, but, they are asking for a ceasefire and it is for the Sri Lankan Government to respond. If they do not do so now, and they say that there is no political solution, why are they prosecuting the war? What is the purpose? Why are journalists not allowed into the Vanni region? Why are aid agencies, which are so badly needed, not allowed in? If the Sri Lankan Government have nothing to hide, why do they not allow in those who need to go there to assist people and let the eyes of the world see what is happening? Why is that not happening now? The Sri Lankan Government cannot complain if we condemn them and assume that the situation is worse than they say it is, if they will not let people see for themselves.

We have four immediate goals. We want Sri Lanka suspended from the Commonwealth for the reasons that I have given; a ceasefire; a UN monitoring mission to be given unfettered access to the country; and a resumption of peace negotiations. Those things must happen now. Finally, aid agencies must be allowed in to help those people on whose behalf we stand here today and raise our voices—the people who are innocent and suffering, the people of the future. There is no military solution to the situation, but if there is no political solution, there will be no end to it.

Several hon. Members *rose—*

Mr. Peter Atkinson (in the Chair): Order. Four hon. Members wish to speak, and the winding-up speeches should start in about 20 minutes, so, by my mathematics, that means about five minutes each.

11.42 am

Simon Hughes (North Southwark and Bermondsey) (LD): I shall keep to that, Mr. Atkinson, and I am very grateful to the hon. Member for Mitcham and Morden (Siobhain McDonagh) for initiating the debate.

On 26 February, I received, as others may have, a message from the Bishop of Mannar, passing on a message from a parish priest in northern Sri Lanka, who said that the bishop

"requested me to communicate this message to you all.

Sri Lanka's army is massacring Tamils. About 300 Tamils were mutilated and those people were thrown into camps. Heavy shelling takes place on the innocent civilians.

From Mullaithevu two elderly priests were allowed to come out on mercy grounds. These aged catholic priests witness the gruesome suffering of civilians.

These priests say that the army is pouring bombs on safer zones.

Kindly insist that International monitoring committee monitor the so called safer zones.

Both Sri Lanka and LTTE are recruiting small boys and girls. Parents are crying.

If the Indian government wishes it can stop the war. Kindly put more demands on the Indian government not to support the Sri Lankan Army.

Due to lack of medical personnel and medicine most of the innocent civilians are dying. If the war is continued the Tamil race will be destroyed completely".

The message goes on in that vein.

Just the other day, on 13 March, I had an update, as colleagues will have done, from the hugely respected United Nations High Commissioner for Refugees and its representatives. I shall be selective in quoting from its long and full report, but it says that

"some agencies are yet to be given access to the sites"—

the holding sites for people—

"limiting the level of assistance that can be provided...tens of thousands remain trapped inside a 45 square kilometre area."

The report says that the people leaving the area

"have described the dire conditions there, caused by severe overcrowding, serious food shortages, poor sanitation and no medical facilities."

And the UNHCR says that the LTTE has prevented many people from leaving.

We are all trying to confront a situation in which the Government of Sri Lanka appear to be absolutely impervious to the criticisms of their own people and of others. The Government look as if they are beyond rational response. When the Defence Secretary, who is the brother of the President, said, as he did on 2 February, that all criticism of the Government was treason; when the army commander insisted, at the same time, that Sri Lanka is a Sinhalese Buddhist country, not a multi-ethnic, multi-religious nation; but when many people of many races and faiths have been there for centuries, no wonder the international community is having difficulty winning the argument with the Government. Our plea, from all parts of the House, to the British Government is that they seek to do more, without discrediting what they have done so far. The UK must continue bilateral representations with the Sri Lankan Government.

I should like the Minister to tell us what has happened since the European Union Council of Ministers came to a view in February and came up with a unanimous recommendation. I should also like to know whether it is now time to follow the suggestion of the right hon. Member for Enfield, North (Joan Ryan), which others support, including my hon. Friend the Member for Kingston and Surbiton (Mr. Davey), that we put the issue on the agenda at the United Nations.

As this is a debate about the Commonwealth, I should like to ask three simple questions about whether we cannot get the organisation to be much more proactive. Historically, it has been willing to take action against a member Government when they have broken the Commonwealth's principles, which are that member Governments allow democracy and human rights across their territories. First, why at the Commonwealth meeting on 4 March did the Minister present—I think—represent the UK, rather than the Secretary of State or a Minister of State? There was considerable criticism that we were not represented at a higher level during the meeting of the Heads of Government and Government representatives at Marlborough house.

Secondly, what specific initiatives have the British Government taken to seek to get the Commonwealth to be much more proactive—to achieve the ceasefire, the access to humanitarian aid, free journalism and, because there has been an invitation, the assurance that any British or other Commonwealth MP who goes to Sri Lanka can go wherever they feel they need to go? Finally, is the Minister sympathetic to the view that I believe my hon. Friend the Member for Kingston and Surbiton will express, similar to those from all parts of the House, that there must be a specific initiative by the Commonwealth, showing that it is a serious organisation that takes membership seriously? It is not an organisation without principles or rules, and those of us who are keen supporters of it believe that it must show its colours and its principles. If it does not do so now, for the people of Sri Lanka, it will not be an organisation worth belonging to. They must be shown that the relationship between Sri Lanka and the Commonwealth means something, and the Commonwealth must stand up and take international responsibility.

11.48 am

Mr. Andrew Dismore (Hendon) (Lab): I first spoke about the problems in Sri Lanka in this very Chamber, during the debate about the Foreign Affairs Committee's report on human rights. Since then, things have got worse not better, and, if action had been taken then, it would have saved thousands of lives. Thousands of people have been maimed and tens of thousands have been made homeless. The position has simply got worse.

Contrary to what the Sri Lankan Government say, I do not hold a brief for the LTTE, but I do for the Tamil people—the innocent women, children and old folk who have been bombarded by the Government and, for that matter, penned in by the LTTE and not allowed to escape. I surveyed the Tamil people who live in my constituency, and what came out loud and clear was their fear and worry for the relatives in Tamil areas whom they are unable to contact.

I am not going to go on about all the humanitarian problems, because my hon. Friends have described them graphically and far better than I could; save to say, we should recognise the work of the International Committee of the Red Cross and other humanitarian organisations. Its brief yesterday recorded the fact that a second ICRC worker had been killed by shelling—the second in less than three months. What amazes me is the attitude of the Sri Lankan Government, who say, "You're either with us or against us, and if you're against us, look out."

I mentioned earlier in an intervention that I had been badly libelled by the Sri Lankan Government on their website, but unfortunately I cannot take any legal action against them. I raised the matter with the Speaker, but he has no powers to take action against them. I hope that my hon. Friend the Minister, in replying to the debate, will make it clear that he will be taking these issues up with the Sri Lankan high commission to stop Members of Parliament being subject to such abuse and libels, because I know that I am not the only one. All we are doing is standing up for humanitarian causes.

[Mr. Andrew Dismore]

I am concerned about the Sri Lankan Government's attitude towards my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne), who was put forward by the UK Government as our special representative to try to broker progress. I am afraid that I have to inject a slight party political point here, because I have seen the reported remarks of the hon. Member for Woodspring (Dr. Fox), who seems to be endorsing wholeheartedly the Sri Lankan Government's campaign against the Tamil areas. I hope that the Conservative party spokesman will dissociate himself from his party's Front Bencher's remarks, which are unfortunate to say the least and are, at worst, encouraging this genocide. We must have a common front in favour of humanitarian relief and a ceasefire, and we need real progress to try to sort these problems out.

We need a ceasefire and I hope that our Government will maintain the pressure in that regard. We need access for humanitarian relief from both non-governmental organisations and Governments. Most importantly of all, we have to recognise the underlying political cause of what is going on and what has been the problem for more than 25 years—indeed, going back to when Sri Lanka, which was then Ceylon, gained its independence from the British Empire. The fact remains that no political solution has so far been offered to the just demands of the Tamil people for self-determination. They are entitled to have their say in their own future, but the Sri Lankan Government have denied them that consistently, ever since the foundation of the state. That has, ultimately, led to the creation of the LTTE and its campaign against the Sri Lankan Government.

Stephen Pound: My hon. Friend talks about there being an absence of a political solution. Does he agree that for at least the first three years of Sri Lanka there was a political solution and a multi-party, multi-faith, multi-ethnic Government in place and that it was the deeply regretted rise of Sinhala nationalism that shattered that consensus?

Mr. Dismore: Unfortunately, nationalism throughout the world has played its part in causing such conflicts.

We have to recognise the right of the Tamil people to self-determination, whatever happens, because even if the LTTE is defeated in the traditional military way as part of this campaign it will not go away; it will simply revert to traditional forms of terrorism and we will see more bombings and assassinations, regrettable though that may be, throughout Sri Lanka and possibly further afield. That is no answer. There is no military solution to this problem. There has to be a political recognition of the rights of the Tamil people. Part of that process must involve the calls that my hon. Friends have made for action by the United Nations and the exclusion of Sri Lanka from the Commonwealth. Sri Lanka has already lost its place on the UN Human Rights Council—quite rightly so—but that is far less than what is required to try to bring home to it the scale of the problem.

Will my hon. Friend the Minister give us an absolute assurance that no armaments from the UK are being supplied to the Sri Lankan Government at all?

11.53 am

Stephen Hammond (Wimbledon) (Con): I am grateful for the opportunity to comment in this important debate. The message that will have gone out clearly from this debate is that no hon. Member in this Chamber supports the violence. There have been condemnations of the LTTE as well. However, the most important thing, as the hon. Member for Mitcham and Morden (Siobhain McDonagh) said, is that we Members of Parliament must bear witness to oppressed minorities wherever they exist in the world. It is important to recognise that the Tamil minority in Sri Lanka is being oppressed by its Government.

First, I want to press the Minister and ask what action the Government are taking to impress on the Sri Lankan Government the need for capacity for evacuation for innocent women, children and men. He cannot have been deaf to the comment made by the representative of the International Committee of the Red Cross only last weekend:

> "The capacity for evacuation is far below the need...We have to decide to take the casualties who are more badly injured and leave behind the ones who are less badly injured",

or leave behind people who are not injured at all who are then unwittingly used as human shields. The Tamil community is being abused in that way. The Government need to take direct action in respect of the Sri Lankan high commission in London to impress on it the need to allow the evacuation of innocent Tamil citizens.

Secondly—the Sri Lankan Government should hear this—mercy missions are on their way from the community and from international organisations. I cite the mercy mission ship that could land in Vanni if the Sri Lankan Government allowed it to do so. Surely, if that Government had any humanity towards their citizens they would allow that ship to dock, for it has on it representations from the international community. This is not a ship that could in any way be called a front for terrorism; it would deliver much-needed food and medical aid to that area. The UK Government must stand up and make a representation to the Sri Lankan high commission on that point, as so many hon. Members who have contributed to this debate have done today.

Thirdly, the Sri Lankan Government may be cautious about what Balasingham Nadesan said at the weekend, but unless they take the brave step towards a ceasefire, accept that the offer might be genuine and does not contain preconditions, and come to the table, there will be no political solution. The political solution is the only way forward, because a military solution cannot ever win. Equally, with a ceasefire, it should be incumbent on the Sri Lankan Government to accept international validation on certain points.

The hon. Member for North Southwark and Bermondsey (Simon Hughes) made some telling remarks about the role of the Commonwealth, and all hon. Members in the Chamber will be listening to what happens.

Fourthly, post-action and post-ceasefire, the UK Government must impress on the Sri Lankan Government that the ceasefire must include not only the LTTE, but all sections of the Tamil community. There is a role for the Tamil National Alliance, and other democratic people, in that process. Equally, the UK Government could suggest to the Government of Sri Lanka—tied in with

their request for a ceasefire and the threat of suspension from the Commonwealth—that there could be a genuine international reconstruction fund. For if the Tamils are to be able to play a full part in the life of Sri Lanka, they will need not only the political solution but the economic solution. An international reconstruction fund would be a part of that process and the Commonwealth could lead it. If not, our Government should lead the process of putting that fund in place.

I am aware of your strictures, Mr. Atkinson. Like so many other hon. Members I could speak for rather longer. I hope that the Minister will respond to those four points.

11.57 am

Mr. Edward Davey (Kingston and Surbiton) (LD): I congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing the debate and on her remarks. Both she and the right hon. Member for Enfield, North (Joan Ryan) have been tireless in their campaigning in recent weeks and months and it has been a pleasure to work with them to put forward the Tamil case, and the case for human rights and a ceasefire.

The hon. Member for Mitcham and Morden shares my anger and the anger of my Tamil constituents and the whole Tamil diaspora, and she is frustrated that nothing seems to be happening. The killing seems to be going on and the humanitarian catastrophe seems to be getting worse, even in the safe areas, as she so graphically described. We have these debates and we ask questions, but I say to the Minister that the frustration is getting deeper every day. People keep hearing about the communities with which they have connections back through the generations being devastated and about family members disappearing and being killed. We have to speak out, and the Government have to speak out far more than they have done to date.

I commend the Prime Minister and the Foreign Secretary on the comments that they made a few weeks ago and for calling for a ceasefire. However, that call has fallen on deaf ears, so we urgently need to take more action.

No doubt colleagues have received many reports—not just PR from the Sri Lankan high commission—from Tamil constituents and campaign bodies, and from people who are in the Vanni. One of the most graphic reports that I have received is entitled "Voice of the Voiceless and Helpless People of the Vanni". It talks about the horrific conditions in the so-called safe area. It seems that the Sri Lankan Government have set up not a safe area, but a concentration camp, which they are even prepared to shell. That cannot go without huge criticism from the British Government and the international community. It is a crime, and we must speak out loudly against it.

I hope that the Government will take three concrete actions. First, they have not exerted enough pressure through the Commonwealth, which can often act behind the scenes and put moral pressure on Ministers of other Governments. My hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) said that at the recent meeting in London, the British Government were represented by only a Parliamentary Under-Secretary. The Government could have done more, given that Sri Lankan Government representatives were here in London.

[Hywel Williams *in the Chair*]

My hon. Friend and I have discussed whether we should join the calls for Sri Lanka's suspension from the Commonwealth, because that would be a major move and the Commonwealth traditionally uses behind-the-scenes moral pressure. We have come round to the point of view of the hon. Member for Mitcham and Morden. We must begin that process, and the leader of my party, my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg), has agreed to write to the Secretary-General of the Commonwealth today asking for an immediate inquiry into the action of the Sri Lankan Government and whether it is compatible with Commonwealth membership, the Harare principles and so on. That inquiry needs to be set up as the start of the process for Sri Lanka's suspension, and I hope that the Minister will join my right hon. Friend in that call to Commonwealth leaders. There should be an investigation, and it should happen now.

John McDonnell (Hayes and Harlington) (Lab): I apologise for not being present at the start of the debate because I was at a constituency meeting. I suggest that we should set a time limit. A deadline should be set for peace talks to start, and if they do not start, Sri Lanka should be removed from the Commonwealth.

Mr. Davey: The inquiry should not be long and drawn out. It should take place urgently—within days and weeks, not months.

I have argued—I wrote to the Prime Minister about this several weeks ago—that the real action should be at the United Nations Security Council. It is all very well calling for a ceasefire, but if our representatives in New York will not table a resolution for the international community to vote on, we are just bandying words. I have clashed swords with the Foreign Secretary on this because, as the right hon. Member for Enfield, North said, excuses are being made for not tabling such a resolution. We are told that a failed resolution would somehow strengthen the Sri Lankans and that that would be worse. How could it be worse? How could the situation be worse than it is now? We should table that resolution and put pressure on Russia and China. Let them vote against our resolution. Let us expose them for supporting the Sri Lankan Government and the violence. Let us lead the international community in calling for a ceasefire. Diplomatic weasel words about failing at the Security Council are no good. That is the proper body for addressing such matters. A huge amount of killing is taking place, and the international community needs to speak out. When Mexico recently tried to put the matter on the Security Council's agenda, some countries, including Britain, prevented it from happening. That is simply not good enough.

Mike Gapes (Ilford, South) (Lab/Co-op): I apologise for arriving half way through the winding-up speeches. I share the deep frustration that is felt and I, too, have constituents who are extremely angry about the situation in Sri Lanka, but I want to probe the hon. Gentleman on the process in the UN. Does he accept that unless the P5 collectively and unanimously, or at most with one or two abstentions, agree a form of words, his proposal is simply a gesture? It may make him feel better—it may make my constituents feel better—but it will not lead to a Security Council resolution unless Russia and China can be persuaded at least to abstain.

Mr. Davey: I disagree with the hon. Gentleman. We would send a huge and important signal from Britain, the US and others. Let us remember that when the British Government tabled a resolution on Zimbabwe at the Security Council, they knew that China would veto it, so let us not be told that we are asking for gestures. The British Government rightly said that we should hold China to account, and we should be saying that about Sri Lanka to other P5 members. We should be holding other members of the international community to account for not speaking up for the Tamil people of Sri Lanka.

Simon Hughes: My hon. Friend knows that I agree with him, and he may like to inquire of the Minister what representations we have made bilaterally to China and Russia to ensure that they are feeling the pressure so that Sri Lanka knows that there is no hiding place. Only when the European Union, the Commonwealth and the UN hold Sri Lanka up for examination will it get the message that it must change its ways.

Mr. Davey: My hon. Friend is right. The Minister should tell us today what diplomatic efforts Her Majesty's Government have made to secure unanimous support from the P5 and others for such a resolution. It is no good giving us excuses. We want to know that the whole strength and force of the Government's diplomatic effort is to secure that resolution. At the moment, we have no sense or feeling that that is happening, and that is simply not good enough.

Finally, I suggest to all hon. Members that we should group together and ask for a meeting with the Indian high commissioner to the United Kingdom. That may be difficult for India, which has elections later this year. The Congress party and the Bharatiya Janata party have different views, but the situation is so urgent and significant that those diplomatic niceties should be put aside. If the Government will not do that, Members of Parliament should ask the Indians to exercise their influence—they are incredibly influential in this area. India's history regarding the Sri Lanka problem is tragic, but it is time to use our offices to address the matter.

Joan Ryan: I am concerned about the tone of some of the comments. I want to put it on record that although I want my hon. Friend the Minister to talk to us about representations to the UN and to ensure that we explore all possibilities—I do not want anything to be ruled out—I do not believe that any Government have spoken up to the same degree as the British Government and the Labour Prime Minister. Their pressure has been the only pressure. We should support it and build on it, not undermine it, and I ask the leadership of all parties to do so together.

Mr. Davey: Not only do I pay tribute to the right hon. Lady, I have paid tribute to the Prime Minister and the Foreign Secretary. However, it is no good them calling for a ceasefire, as they did a few weeks ago, with no action. We need action now, and I do not regret anything that I have said today.

This matter should be one of the top foreign policy issues facing the Government, and it should involve the efforts of not just the Minister, but the Foreign Secretary and the Prime Minister. They should provide leadership in the Commonwealth, the United Nations and the European Union to put pressure on the Government in Colombo. I hope that the Minister will assure us that that has been happening without us being aware of it, or that it is about to happen.

12.9 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): I congratulate the hon. Member for Mitcham and Morden (Siobhain McDonagh) on securing this debate, and on how she put forward her views. Only a few weeks ago, on 5 February, we debated Sri Lanka in one of the aptly named topical debates.

The immediate issue that has been brought forward by all hon. Members is how to ensure the safety of the tens of thousands of people caught up in what is effectively a fighting zone—the so-called no-fire zone/safe zone. Both sides have been guilty of the indiscriminate and discriminate use of violence. I say "indiscriminate" because if the Sri Lankan army is using area weapons such as assault from the air and artillery fire, it will kill large numbers of people in a very densely populated zone. I mean discriminate violence in the sense that so-called prisoners are shot by the Sri Lankan armed forces and, equally, the LTTE has ended up shooting people that it has tried to force into fighting units. This is a human tragedy on a vast scale and our immediate problem is how to bring pressure to bear not just on the Sri Lankan Government but on the LTTE to make certain that the civilians are evacuated and protected.

As the hon. Member for Mitcham and Morden and the right hon. Member for Enfield, North (Joan Ryan) mentioned, the LTTE has come to the table suggesting that it wants a ceasefire, with no conditions attached to it. The sadness is that both sides have played that game over the years. Both sides have tended to propose a ceasefire when they have perhaps been at a point of weakness and want to bring the other side to the table. However, there are powerful arguments now for the Sri Lankan Government to recognise that they have the LTTE on the ropes and that, in terms of not only domestic public opinion but international public opinion, they should show a degree of magnanimity and produce a ceasefire that puts the LTTE on the back foot.

It seems to me that, as other hon. Members said, the Sri Lankan Government are determined militarily to destroy the LTTE. There is no doubt that the reason for their refusal to allow in a UN force and most international media and for the constraints that have been placed on the non-governmental organisations is that they believe that if there is one final push, the LTTE will be militarily destroyed. However, as many hon. Members pointed out, that military victory will not produce the lasting settlement that they want. History is littered with examples of that. The hon. Member for Hendon (Mr. Dismore) pointed that out. My experience from teaching this to British armed forces over many years is that the tube of toothpaste is squeezed in a different direction. There will be a new generation of Tamil Tigers, who will end up fighting by unconventional warfare against the Sri Lankan Government and, more importantly, their people, not only in Sri Lanka but worldwide, and on a scale that we have not seen so far. They will escalate that on a scale that will be quite frightening.

I urge the Sri Lankan Government to think very seriously about that. The irony is that in the next two or three weeks they will undoubtedly achieve that military victory, in that they will capture the final strongholds of the LTTE, but they will actually snatch defeat from the jaws of victory. We should be thinking of how we persuade the Sri Lankan Government that they are about to achieve a tactical victory that is in fact a strategic defeat.

Let me explain where I disagree with hon. Members. At one level, I am impressed by the fact that the Sri Lankan Government have put out vast amounts of PR and publicity, just as the Tamil Tigers have, but I have not found it very sophisticated. If I were advising the Sri Lankan high commissioner, I would say, "The one way you do not go about influencing the debate in the House of Commons is by defaming hon. Members. You try to produce arguments that will convince them that at the very least you have some arguments on your side."

The Sri Lankan Government have damaged their case by refusing entry to the area of combat for journalists and they have an ambivalent attitude towards aid workers. At least the British can speak from experience on this matter. I suspect that if we had decided in the long conflict in Northern Ireland to do just that, we would have lost what in effect was a conflict 20 or 30 years' ago. We would have certainly lost any form of support from within Ireland, southern Ireland, or indeed in the United States of America. In their own interests, I urge the Sri Lankan Government to reconsider. However, we should bear it in mind that it is not exactly easy for a journalist or an aid worker to have operated in the zones controlled by the LTTE, either. Putting aside those moral issues, I have sympathy for any Government who are fighting unconventional warfare when they have to reach a moral bar that is often far higher than that of the unconventional side.

I want to give the Minister as much time as possible to respond to the debate, so I shall briefly pull some thoughts together about what is to be done.

Mr. Dismore: Will the hon. Gentleman give way?

Mr. Simpson: If the hon. Gentleman will allow me, I will not, because I have very little time left.

The first question is how to persuade the Sri Lankan Government to allow the media and aid workers into the area now, that it is in their own interests to do so and that by not doing so, they are, ironically, aiding the LTEE. That should be our first priority, and I hope that the United Kingdom Government are doing that. Secondly, we should pressure them to evacuate civilians. Again, it is in their own public relations interest to evacuate civilians outside that area. Thirdly, we need to persuade them to let in a UN observer mission. If the Sri Lankan Government are convinced that they have right on their side and that the other side does not have right on its side, they should have nothing to fear from bringing in a UN observer mission. We should say to them that if they are unable to do all that, ultimately there may be a resolution at the United Nations Security Council and if they are unable to convince some of their own friends not to veto that, they will be facing serious problems.

The fourth point concerns the role of the UK Government. I support what other hon. Members have said: the UK Government, unlike some Governments, have, on the whole, taken an honourable lead in attempting to put pressure on the Sri Lankan Government, but also to mediate between the Government and the LTTE. There is a long history—

Mr. Dismore: Will the hon. Gentleman give way?

Mr. Simpson: Please, I have just two more points to make.

The proposal to send in a UK special envoy, the right hon. Member for Kilmarnock and Loudoun (Des Browne), was vetoed. Where are we on that now? Is the right hon. Gentleman's name still on the table? Have the Sri Lankan Government given any indication of the terms on which they might allow him in?

The final point concerns the role of the Commonwealth. It does seem strange that in the Commonwealth ministerial action group, the Government were represented only by a junior Minister. There may have been very good logistical reasons why the Foreign Secretary or the Minister of State could not be at that meeting, but given its importance in terms of policy towards Fiji, let alone towards Sri Lanka, I find that strange. Perhaps the Minister will answer that question.

The message that the Sri Lankan Government should take from this debate, as they should have from the previous debate, is the unity of purpose within Parliament on this issue. They should also take from it the message that they are, ironically, damaging their case by the actions and policies that they are carrying out and that although they will succeed in the short term—there is no doubt about that—they will create such a hurricane of violence that their long-term hopes for a peaceful democratic Sri Lanka will not be realised.

12.18 pm

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): May I start by genuinely congratulating my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) on securing and leading the debate? She has been consistent in her advocacy on behalf of her Tamil constituents. I saw that at first hand when I addressed a meeting of a group of her constituents whom she brought to Westminster. I know that she will continue to make that case.

I also congratulate the hon. Member for Mid-Norfolk (Mr. Simpson), who leads for the Opposition, on striking absolutely the right tone in a constructive and thoughtful contribution, probing the Government in a difficult set of circumstances. One of the blunt realities is that we cannot just mandate actions on behalf of a Government in a different country.

Let me place emphatically on the record the Government's clear view that Members of this House have an absolute, unequivocal right to speak up on behalf of their constituents. Spurious personal attacks on the character of individual Members by any high commission or embassy in this country are not only wrong and unacceptable, but completely counter-productive in advancing the cause of those involved, and I can assure hon. Members that we will send that message loudly and clearly to the Sri Lankan high commission.

The ethnic conflict between the Government of Sri Lanka and the LTTE has reached a critical phase, and the UK Government are extraordinarily concerned about

[Bill Rammell]

the grave humanitarian situation and particularly about the fate of the large numbers of civilians caught up in the fighting.

As many hon. Members in the Chamber who are extremely knowledgeable about the situation know, the conflict in Sri Lanka has been raging for more than 25 years and has claimed the lives of more than 70,000 Sri Lankans. The dramatic advances by the Government forces since January have claimed the lives not only of Sri Lankan soldiers and LTTE cadres, but, most shockingly, of innocent civilians, including women and children.

The lack of independent reporting from the conflict area makes it impossible to obtain definitive figures. However, the UN estimates that more than 2,600 civilians have been killed and more than 7,200 have been injured since 20 January alone. Those figures are truly appalling. I very much agree with my hon. Friend the Member for Mitcham and Morden that nothing justifies what happened in Gaza, but the figures in this case are more significant. Given the conflict that is taking place, there has not been enough attention in the international media.

The UN High Commissioner for Human Rights, Navi Pillay, recently said that

"certain actions being undertaken by the Sri Lankan military and by the LTTE may constitute violations of international human rights and humanitarian law."

There are more civilian casualties every day, including those who were killed or wounded when a hospital, which had been declared a no-fire zone, was repeatedly hit by shells over a number of days in February. As I made clear in the House when Sri Lanka was last debated on 5 February, we expect and urge the Government of Sri Lanka fully to investigate any allegations of abuses by their forces. We would support a full and independent investigation into all concerns about war crimes, including the shelling of the hospital and other civilian deaths.

Hon. Members have understandably voiced concerns about accusations that Government forces have used cluster bombs and resorted to indiscriminate bombing, and we have raised those allegations with the Sri Lankan Government. Although they have stated that they do not use cluster munitions, we have made very clear to them our strong opposition to the use of such munitions and to indiscriminate bombings. We condemn the killings of civilians unequivocally and in the strongest possible terms, however they happen, and we have urged all parties to the conflict to avoid action against civilians.

We are now at a critical phase. The last remaining territory held by the LTTE measures less than 30 sq km, and large numbers of civilians—internally displaced persons—are trapped in that area. Since January, more than 40,000 IDPs have left the conflict area and moved into Government-controlled territory. Estimates of the numbers who remain vary from 70,000 according to the Sri Lankan Government to 200,000 according to the UN. These people have been repeatedly displaced over the past 18 months each time the front line has moved.

We have rightly been critical of the actions of the Sri Lankan Government, and I have just made that clear again. However, it has become increasingly clear that the principal reason why more IDPs have not left the conflict area is that the LTTE is forcibly preventing them from doing so. A number of NGOs working in northern Sri Lanka have publicly stated that that is happening. The UN has also condemned the LTTE for forcibly recruiting civilians, including women and children. We must attack that on all fronts and we must express our concerns to the Sri Lankan Government. I urge anyone with influence and with access to the LTTE to put those concerns forward.

Civilians have been under direct threat not only from the fighting, and there is enormous concern about the ability to get aid into the area. Much more needs to be done about that. It was because of our concerns about the humanitarian situation in the conflict area that the Prime Minister first called for a ceasefire on 14 January and wrote to President Rajapakse. My right hon. Friend the Foreign Secretary followed that up by telephoning the President and urging him to declare a humanitarian ceasefire. We have been consistent in advancing that cause in all forums.

We have also rightly been releasing resources. Given the urgency of the situation, we have allocated a further £2.5 million—on top of the £2.5 million that we committed in October 2008—to support the efforts of humanitarian agencies in Sri Lanka. We have also sent a Department for International Development humanitarian expert to bolster the capacity of our high commission in Colombo to deal with the unfolding humanitarian situation. The hon. Member for Wimbledon (Stephen Hammond) asked about the post-conflict situation. The international community will inevitably need to assist with reconstruction efforts in communities affected by the conflict, and we will certainly play our part in such efforts.

We have not been working on this issue alone. One very helpful development in recent weeks was the joint statement by the Foreign Secretary and the Secretary of State in the United States Government, which called for a "temporary no-fire period". The co-chairs group—the US, the EU, Japan and Norway—has also called for the delivery of humanitarian aid and for the LTTE to discuss ways of ending the current hostilities.

Mr. Andrew Love (Edmonton) (Lab/Co-op): I thank my hon. Friend for the forthright way in which he is presenting the Government's case. I also apologise to you, Mr. Williams, for arriving very late for the debate. We have reached a critical point in Sri Lanka. Reference was made earlier to the importance of India and the influence that it can bring to bear on the Government of Sri Lanka. Will my hon. Friend take up with the Indian Government the possibility of a joint initiative to bear down on the Sri Lankan Government so that they recognise the coming humanitarian disaster?

Bill Rammell: My hon. Friend has anticipated my very next sentence, because I was going to highlight the fact that the Indian Foreign Minister has visited Sri Lanka to discuss the humanitarian situation with the President. We continue to talk and work with the Indian Government on the issue.

We have also been working with a wide range of multilateral forums. EU Ministers have called for a ceasefire. The key issue raised by my hon. Friend the Member for Mitcham and Morden was the Commonwealth, and although Sri Lanka was not on the formal agenda of the Commonwealth ministerial action group meeting this month, it was nevertheless rightly discussed.

The issue of our level of representation at that meeting has been raised. It was absolutely right that the Under-Secretary of State for Foreign and Commonwealth Affairs was present. She is the Minister responsible for our relations with the Commonwealth, and I can assure hon. Members that she emphatically articulated the concerns that have been raised. She took the opportunity to brief CMAG and expressed our concerns about the humanitarian situation and the safety of civilians caught up in the fighting. She stressed the need for a humanitarian ceasefire to allow civilians to move to safety and for full access by the international humanitarian agencies. She also called attention to the letter that we had received from 11 hon. Members expressing their concerns about the Government of Sri Lanka and calling for Sri Lanka's suspension from the Commonwealth. CMAG did not call for a suspension, because there has not been an unconstitutional overthrow of democracy—rightly or wrongly, that has been the basis for previous suspensions. Nevertheless, we have rightly raised our concerns in CMAG and directly with the Commonwealth secretariat.

The second key bone of contention that has been raised in the debate is the role of the UN. At the Security Council, we have sought discussion and regular briefings about the situation in Sri Lanka. We welcomed the visit to Sri Lanka in February by John Holmes, the Under-Secretary-General for Humanitarian Affairs. However, if we took a resolution to the Security Council, the reality is that we would not get the nine votes that were necessary or that it would be vetoed.

That brings me directly to the criticism from the hon. Member for Kingston and Surbiton (Mr. Davey), who leads for the Liberal Democrats. He talked about diplomatic weasel words, and if international diplomacy is just about feeling good about ourselves and what we say, that is the point that needs to be made. However, if we actually want to make an impact, we have to take a different course of action. My real concern is that if we went forward with a Security Council resolution and it was vetoed, we would no longer have the status quo, but an even worse situation, because the Sri Lankan Government would simply turn around and say, "The United Nations has agreed with us that no action should be taken."

West Coast Main Line (Commuter Services)

12.30 pm

Mr. Mark Lancaster (North-East Milton Keynes) (Con): It is a pleasure to be here under your chairmanship, Mr. Williams, and to have this opportunity to raise the concerns of my constituents in Milton Keynes.

I before E—infrastructure before expansion. That is the key to the future of Milton Keynes. *[Interruption.]*

Hywel Williams (in the Chair): Order. Will members of the public please leave quietly?

Mr. Lancaster: Thank you, Mr. Williams.

I am here to highlight for the Minister my constituents' concerns about the standard of train services from Milton Keynes to Euston. I am sure that the Minister will, in replying, be keen to talk about the investment that has gone into the west coast main line. Undoubtedly, there has been considerable investment. However, the concern is that the entire focus of the investment seems to be on long-distance travel. In the past two or three years, while my constituents have suffered over-running engineering works, industrial action, delays and poor rolling stock—problem after problem—it has seemed that their concerns have come as very much a second thought to the Government, who have been focusing on long-distance travel. For example, shortly before the last general election, there was an announcement about the new Milton Keynes upgraded station, with extended platforms and an extra platform. Yet now that the upgrade is in place it is clear that the real reason for it was to help with through-travel through Milton Keynes, rather than particularly to help Milton Keynes commuters. Indeed, we seem to be going backwards in Milton Keynes now that we face the prospect of the closure of the travel office. Is that a sign of future service cuts?

I shall not speak for too long, because I want to give the Minister ample opportunity to reply, but in the brief time I shall take I want to cover three different areas. First I want to say a few words about Virgin Trains; then I want to comment on London Midland.

Andrew Selous (South-West Bedfordshire) (Con): On the matter of London Midland, has it been my hon. Friend's experience, as it has been mine, that things seem to have got a lot worse since Silverlink lost the franchise? I had a letter this morning from a constituent, who says that things have got much worse since Silverlink went, and describes travelling on London Midland trains as a

> "frustrating, tiring and expensive experience...far below what the passenger and subsidising tax payer is entitled to expect."

Mr. Lancaster: Indeed, that has unfortunately been my experience, and I intend to go into detail about it when I say something about London Midland. Finally, just before I conclude, I want to ask a few questions about the Department's proposed demand management regulation of fares.

To begin with Virgin Trains, gone are the days when Milton Keynes used to be, apart from, perhaps, Watford, the first stop on the inter-city line. It is now very much the penultimate stop on the commuter line. Commuters

[Mr. Lancaster]

can no longer get on the rather efficient 32-minute trains provided by Virgin. There is no access to them at all, but it is actually worse than that. The appalling situation—I say this with a slight smile on my face—is rubbed in the face of commuters, who line the platform of Milton Keynes station as a Virgin train pulls up to allow passengers off but not allow anyone on, even though there are empty spaces and seats in the carriages. Can the Minister imagine seeing, on a cold winter's day, a nice, half-full Virgin train, as he waits to get on his overcrowded London Midland commuter train with no seats, and being told that he is not allowed to get on? It is frankly mean. I understand that at the moment Virgin Trains is more interested in the long-distance routes, but there is spare capacity on the trains. Why, in the interim, when there is such overcrowding on commuter trains, can we not continue to allow people to get on to some of the trains that stop in Milton Keynes as the last stop southbound to London?

Virgin Trains, however, is not the focus of my remarks. I want to say more about London Midland. Since London Midland took over the franchise for the Milton Keynes Central to London Euston route—and it still covers the Bletchley to Bedford route—it is a matter of record that the service delivery has deteriorated markedly. Trains are unreliable. Many are subject to technical difficulties and there are crew shortages, rostering mistakes resulting in severe delays and many cancellations. Punctuality is poor and with many peak trains full, with standing room only, Milton Keynes commuters feel badly let down. Figures released by Network Rail in January 2009 show beyond any doubt that London Midland is the worst performing train operator in the UK. I have over the past few months received a deluge of correspondence from disappointed constituents, as has my hon. Friend the Member for South-West Bedfordshire (Andrew Selous). Many of those constituents are now considering car-sharing schemes or, ironically at a time when the Government are forcing Milton Keynes to expand, even relocating away from the city. I could occupy the whole debate with London Midland, but I will just make a few key points.

Andrew Selous: In Leighton Buzzard London Midland has extended the car park without any regard to residents. Does my hon. Friend think that there should be some consideration of the effect of the structure, and what it looks like, on neighbouring residents?

Mr. Lancaster: My hon. Friend makes a valid point. There should be much greater consultation.

As to London Midland's performance for the route into London, its figure for trains arriving within five minutes of their scheduled time is 62.1 per cent., compared with an annual average of 76.5 per cent. and a target of 86.4 per cent. I am sure that the Minister agrees that those figures are unacceptable on what has been heralded as a brand new, refurbished railway using the latest trains. I am equally sure that he is aware that the delay-repay scheme is proving to be both lengthy and cumbersome. That is an issue that I have raised before in the House. Not only must passengers wait a considerable time for a response; with trains regularly delayed by 15 to 25 minutes, it is particularly irritating to commuters that compensation is paid only for delays over 30 minutes and that season ticket holders are not entitled to a refund. The scheme appears to offer no incentives for London Midland to improve, although I hope that that is one of many points that the Minister will respond to.

Another bone of contention for commuters is the fact that London Midland has been cutting out stops on some services but not announcing that until passengers have boarded and left the station. The accusation is that that is being done to try to prop up the public performance measure. Despite London Midland's efforts, the most recent PPM puts its Northampton to Euston route at the bottom of the league table for the UK. Indeed, the latest PPM is actually worse than when London Midland first took over the franchise.

Is the Minister really happy that London Midland appears to be heading in entirely the wrong direction? If he really wants to know just what my constituents think of London Midland, he need look no further than the recent Passenger Focus survey on customer satisfaction, which shows decline in a number of areas since autumn 2007. They include ticket buying, helpfulness of staff, punctuality and reliability, connections with other services, poor management at times of disruption, particularly at London Euston—I have several times experienced the fact that when a 12-car train arrives the automatic ticket barriers at Euston simply cannot cope—and poor communication with customers and its own booking office staff, who are regularly left to deal with the fallout when things go wrong. Perhaps the Minister could comment on the fact that the Govia Go-Ahead Group train operating companies take up all three bottom league table places for the London and south-east area—London Midland, Southern and Southeastern. What due diligence was exercised by the Department to satisfy the Minister that London Midland could deliver the quality of service it promised when the franchise was awarded?

Patrick Hall (Bedford) (Lab): The hon. Gentleman will know that some of his constituents, and a number of mine, use the Marston Vale line, the Bedford to Bletchley service. He is no doubt also aware that in May Govia, or London Midland, closed the Bletchley train maintenance depot. Subsequently the performance and service on the Bedford to Bletchley line has deteriorated so much that its rail users association has given me a petition, which I intend to hand to the managing director of London Midland later. Does the hon. Gentleman agree that there is a need urgently to review the policy of closing that depot, and the policy of taking train crews from Bedford to Bletchley to try to bolster a failing service on the main line?

Mr. Lancaster: That is a reasonable point. I share the hon. Gentleman's enthusiasm for that line; it provides a vital service. I sense that he may be directing his comments to the Minister, and I hope that the Minister will reply.

All that I have said highlights what appalling value for money is being offered to commuters, with fares rising at RPI plus 1 per cent. every year until the end of the franchise in 2016. Since the initial disastrous first few days after the introduction of the new timetable in December—disastrous for commuters, at least—I understand that London Midland is taking some short-term steps to try to improve services. They include the deployment

of additional senior and train crew management from Birmingham New Street and London Midland headquarters to the west coast depots. Together with various medium-term actions, such as a review of the timetable to address passenger and stakeholder-promoted improvements, London Midland hopes to improve performance; but, frankly, we will have to wait and see. However, it is clear that ongoing train crew rostering and industrial relations matters are slowing the progress of change.

I would be grateful if the Minister were to address the following key questions. Does he believe that London Midland is meeting its franchise obligations? My constituents believe that it is not; if it is, perhaps the benchmarks have been set too low. As I have tried to explain, London Midland train services have been poor for several months. How long does the service have to remain at that level before the Minister will act?

Following the statements made by the Transport Minister Lord Adonis to the Select Committee on Transport on 25 February 2009, to which I shall refer in a moment, will the Minister offer my constituents his personal assurance that no regulated fare rise will exceed RPI plus 1 per cent.? Why are there no non-stop services between Milton Keynes Central and Euston during the peak travelling period, as there used to be, yet there are non-stop services between similar-sized cities on other routes, such as Peterborough and Kings Cross or Reading and Paddington? Given the difficulties that London Midland and some other franchises are experiencing, coupled with the micro-management of those franchises by his Department, does the Minister believe that it is a proper way to run a national railway?

I turn my attention to the impact of the demand management regulation of fares on train services between Milton Keynes and London. Although full details of the plan do not yet appear to be in the public domain, I hope that the Minister will take this opportunity to add some meat to the bones and confirm that the broad intention is as follows.

By charging higher fares during the demand management period—to laymen like me who are not versed in transport-speak it is the peak period—the Department for Transport hopes to persuade commuters to travel in the shoulders of the peak, slightly earlier or later. Passengers travelling during the peak of the demand management period will see fare rises by up to RPI plus X—currently 1 per cent.—plus another 5 per cent.

The supposed advantage is that passengers who travel outside the peak period may pay less for their journeys. We should be clear about this; under the plan, commuters who lack work flexibility, who are forced to travel during peak hours, face yet another inflation-busting fare rise next year, on top of that already suffered this year, yet they will still have to suffer the appalling service that I have outlined.

Although the plan to be implemented is complicated, with any peak period potentially being split into more than one demand management period, I understand that during those periods the bidder will be free to do various things. The bidder will be able to vary the price charged for travel in the peak, by time and/or day, as they see fit, subject to the demand management fares regulation. The bidder will be free also to vary the nature of the products offered—that is, tickets—for travelling in the peak; for example, it will no longer be compulsory to offer the classic, unlimited-journey, seven-day, monthly or longer season tickets. Although the London commuter fares basket will continue to operate, those flows designated as demand management flows currently within the basket will be removed, as will those that currently sit within the Birmingham commuter fares basket and the protected fares basket.

I understand that under the timetable for introducing this policy, London Midland is expected to reach agreement with the Department for Transport on its plans by October 2009, with a likely introduction date of January 2010. Indeed, I believe that London Midland has already placed an order with a company to deliver the smartcard ticketing technology necessary to measure the number of passengers travelling at particular times. Particularly alarming, however, is the fact that the Department for Transport does not intend to consult passengers before the introduction of that policy. Will the Minister confirm that that is not true, and that there will be full consultation before any such plans are introduced?

Given the broad thrust of the policy that I have outlined, I draw the Minister's attention to the comments made by Lord Adonis in response to questions during the Transport Committee's hearing on rail fares and franchises on Wednesday 25 February. Lord Adonis said:

> "The point of regulation is to protect the passengers, especially commuters and others, who have little choice but to travel by rail."

He went on to say:

> "I can tell the Committee that we propose to accept one of the main Passenger Focus recommendations. Although the average fares cap is RPI+1% a year in most areas, many people face higher increases in regulated fares because operators have freedom to increase some fares by up to 5% above the average increase. Passenger Focus have recommended that restrictions should be placed on this flexibility and I am happy to tell the Committee that the Government proposes to do just that. In a time of economic stringency I do not think it acceptable for individual commuters to face significantly above average fare increases. The Government's intention is, therefore, that in future the cap should apply to individual regulated fares, not just to the average of each fares basket. My officials will talk to the train operators about the practical implications of making this change, but we are determined it should take effect from this coming year's fare changes."

Although I and my local rail users group welcome that announcement, and Lord Adonis's view that he does not think it acceptable for individual commuters to face significantly above-inflation fare increases, I am struggling to reconcile that with the fare rises proposed under the Department for Transport's policy on demand management regulation, which could result in fare increases of 6 per cent. above RPI for travelling during peak hours. Crucially, I hope that the Minister will clarify that Lord Adonis is indeed correct, and that the current fare structure outlined by the demand management regulation will not be introduced. If it is, I fear that it may well be the final blow for the long-suffering Milton Keynes commuter.

If the Minister answers no other question, will he answer this one? Will the demand management of fares be coming to Milton Keynes any time soon?

12.48 pm

The Parliamentary Under-Secretary of State for Transport (Paul Clark): I shall endeavour to answer the questions asked by the hon. Member for North-East Milton

[Paul Clark]

Keynes (Mr. Lancaster) in the few moments that remain. I congratulate him on securing the debate about an important issue for his constituents and other rail users on the west coast main line.

It is right that we have invested substantially in the west coast main line. That line is experiencing a record number of passenger and freight journeys. In the White Paper "Delivering a Sustainable Railway", we set out the high-level output specification—HLOS—and how we intend to introduce improvements over the next control period, which ends in March 2014, and the moneys required to do so. The public performance measure to which the hon. Gentleman referred was that of London Midland, but overall the investment that we have been making in the railways is paying dividends in bringing higher levels of reliance and performance for a record number of passengers travelling on the railways. However, those successes raise further issues that need to be dealt with, not least in the interest of passengers represented by hon. Members in the Chamber.

The Department does not consider the hon. Gentleman's constituents to be second rate compared with long-distance travellers, and it does give them more than a second's thought. I am also happy to put on record that London Midland's performance is unacceptable, which is why steps have been taken, and continue to be taken, to rectify the situation. I shall run through those steps and outline the sustainable changes, not short-term quick fixes, that are required. The Government's clear policy is financial commitment to improving performance across the network, and I share hon. Members' concerns about the performance of both commuter and long-distance services using the west coast main line. The Department is taking a very active role in pushing for improved performance from the operators using the main line and from Network Rail, which is responsible for infrastructure, as hon. Members will be well aware.

The £8.9 billion west coast main line upgrade has brought tremendous improvements for many travellers, including those in major population centres such as London, Birmingham, Manchester, Liverpool and Glasgow. The line also conveys more than 40 per cent. of the nation's rail freight. In 2003, the Strategic Rail Authority laid out its strategy for the west coast route modernisation project and emphasised the importance of providing the extra growth required in London outer-suburban services, while taking account of population growth plans in the Northampton and Milton Keynes areas. It was also necessary to accommodate commuter trains affected by the increase in the number of long-distance passenger trains, because slower commuter trains could no longer share the fast lines between Euston and Milton Keynes with longer distance trains operating at full-peak frequencies at 125 mph.

Furthermore, it was foreseen that the ability of the long-distance services to handle peak commuter loads from Milton Keynes would be reduced, primarily because line capacity would not permit many peak hour stops, and also because the capacity of the new trains on the route would be needed for the traffic growth in the long-distance markets. To address those problems, four particular steps were taken: first, the maximum speed on the slow lines between Euston and Northampton was increased to 100 mph to maintain the best possible journey times, despite the change from the fast to the slow lines; secondly, high-performance electric trains—the 350 Desiros—were introduced on the Northampton, Milton Keynes and Euston services to exploit the faster line speeds; thirdly, 12-car trains, instead of eight-car trains, were introduced and platforms were lengthened between London and Northampton; and fourthly simplified timetable patterns were introduced with greater in-built resilience and fewer conflicting moves across busier corridors to ensure improved reliability and punctuality.

Andrew Selous: With respect to London Midland, how many extra seats will be available to passengers at Leighton Buzzard? The amount of available seating is critical, given housing growth and the fact that the services start further north and have more people on them. Can the Minister help me on that point?

Paul Clark: I am certainly willing to help and shall write to the hon. Gentleman with the answer.

Although the overall performance of the railways has improved tremendously, the performance of commuter services on the west coast main line in the south has indisputably fallen. On 14 December 2008, a planned commissioning timetable was put in place on the west coast main line to allow a phased introduction of the high-frequency timetable. At the same time, the London Midland franchise made several changes and improvements: it reinstated direct services from Birmingham to London; and it introduced a new hourly service along the Trent valley lines, as part of the new direct Crewe-Northampton-London service. In addition, a new service from Milton Keynes to East Croydon was introduced, operated by Southern railway, which came into being in the middle of February and provides additional connectivity for commuters.

As hon. Members have said, however, some operational performances have been unacceptable. The commissioning timetable, which has placed additional pressures on the work loads of London Midland train crews, combined with high levels of sickness and low levels of staff volunteering for overtime, led to an unacceptably high level of cancellations prior to Christmas. In addition, engineering and infrastructure failures impacted on engineering works at Milton Keynes Central during late December last year. All that affected performance. Again, in the first few weeks of the year, a number of engineering infrastructure failures and incidents occurred. Network Rail is investigating them, but they do not appear to have been linked. However, steps will be taken and lessons learned. In addition, of course, we must remember the heavy snowfall in early February. All that has led to unacceptable performances.

The hon. Member for North-East Milton Keynes referred to the delay-repay scheme, which he believes is not working acceptably, but it was supposed to be a simple and quick scheme. The figures for London Midland, which I particularly wanted to see, show that, in period 11—prior to February—a substantial number of reclaims were made, as one would expect, bearing in mind the difficulties experienced. However, that led to a delay in processing, and for the first time there has been a small build up in outstanding claims. Refunds are available on 30-minute delays and beyond, and of course season ticket holders can claim. They are entitled to the same scale of refund based on the daily proportional cost of the ticket.

My noble Friend Lord Adonis is due to meet London Midland and Network Rail. We are keen to govern and monitor the performance of all train operators and regular meetings are held to that effect. I expect London Midland and Network Rail to appear before his performance group shortly. I have put on record the steps taken with other franchisees to introduce remedial plans. First Great Western is one example where improvements have been made.

Demand management falls under the franchise agreement, but it could not be introduced without the Government's full agreement and without going through the necessary processes. No indications have been given that that will happen, but we have taken steps before to delay the introduction of demand management, and we could do so again. However, that is not currently exercising London Midland to the extent implied by the hon. Member for North-East Milton Keynes. It is concerned with improving performance, and that has started to pay off with the introduction of new rolling stock.

I reiterate what my noble Friend said to the Select Committee. Prices will fall if the retail prices index is negative in July, even with the plus 1 per cent. Furthermore, the basket will be removed to deny the flexibility for increases on selected regulated fares of RPI plus 1 per cent. plus 5 per cent. That flexibility will not exist in future timetables. We have taken a number of steps to begin to rectify the situation, but issues remain to be addressed. I guarantee to hon. Members in the Chamber, and to others who have made representations, including the hon. Gentleman's Milton Keynes colleague, my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey), that we will continue to take the steps required.

Steel Industry

1 pm

Mr. Ian Cawsey (Brigg and Goole) (Lab): May I say what a pleasure it is to serve under your chairmanship, Mr. Williams? I am grateful to have the opportunity to debate Government support for the steel industry. It is a timely debate, and I am pleased that my colleagues, who share my interests in the steel industry, are in the Chamber with me. I am sure that we will all be interested to hear what my hon. Friend the Minister has to say when he responds to the debate.

I start from the simple premise that manufacturing is important to the UK economy. Steel is a fundamental part of manufacturing and, as such, it must be retained in this country. As an industry, steel has been badly hit by the global economic downturn, yet it underpins our manufacturing base and is critical to construction, infrastructure and the automotive industries. Simply put, UK steel is vital to the recovery of manufacturing in the UK, and we must do all that we can to protect it.

The last few months have been traumatic for everyone in the industry. Corus reports that business is down by an average of 40 per cent. Steel prices have fallen, and 40 per cent. of production capacity is now idle. Yesterday's figures showed that output from the Scunthorpe plant, where my constituents work, is at a 50-year low. Workers have had their number of shifts reduced with a corresponding cut in income. Across the country, 2,500 steel jobs have been lost. One could look at any steel company in any country and see that it is experiencing similar problems. In seeking this debate, my purpose was to open a discussion on how we, in the UK, can ensure that steel is helped through this period and that we retain capacity for the future. It is important that as the world economy picks up—as sure as eggs is eggs that day will come—the UK is in a position to benefit.

This morning, I was interviewed by my local radio station, Radio Humberside. It was put to me that the Government could not be expected to bail out everyone at the taxpayer's expense. However, I am not talking about a return to the days of endless subsidy. This is about sensible support for a key industry through a unique and challenging period to ensure that it is still there when business around the world begins to recover. As further food for thought, let me say that other countries in the EU are allowing their steel manufacturers to access state help for those on short-time working, including training assistance. Clearly, that puts the UK steel industry at a competitive disadvantage if there is nothing similar in our country. Of course, there is a cost to that, but there is a cost to unemployment, too, and to short-time working. The taxpayer ends up paying for both, either through benefits for people who are on the dole, such as those claiming jobseeker's allowance, or by an increasing reliance on income-related tax credits as short-time working reduces basic pay.

In an industry that is essential to the country and that will come round as the world economy picks up, I would argue that it is better to use taxpayers' resource to keep people in work and to retain our steel capacity than it is to pay for people to be unemployed and to lose the capacity to other countries which are taking steps to protect their steel production.

Mr. Elliot Morley (Scunthorpe) (Lab): My hon. Friend makes an excellent argument and some very important points. People are being hard hit by shift reductions and the loss of their incomes. Does he agree that it is an investment to use support for training, in the same way that it is when companies try to maintain their work force and their skills? We can invest in skills and skill training while, at the same time, giving both the workers and the industry some support in a difficult time.

Mr. Cawsey: Although I do not want to start a long history lesson on the trials and tribulations of steel production in the UK over the years, I would say that in the days of the old British Steel, in the recession of the 1980s, one of the big mistakes was the complete lack of training. The industry was instantly culled as a way of surviving in business at that time. Even to this day, we see the holes and skills shortages.

Dr. Hywel Francis (Aberavon) (Lab): I congratulate my hon. Friend on securing this Adjournment debate. Will he commend the excellent initiatives by the Welsh Assembly Government, supported by Corus and the trade unions in Wales, to retain skills through the two important schemes PtoAct and ReAct? Such schemes would commend themselves across the United Kingdom.

Mr. Cawsey: I praise all the work that my hon. Friend has done on the steel industry since he has been in the House. He is part of the all-party steel group and, along with myself, a member of the Community group of Members of Parliament. I will refer to what is happening in Wales a little later in my speech. At this stage, I will say that I entirely endorse my hon. Friend's comments, and that such initiatives are something that we need to consider.

I am indebted to the Community union, which has met MPs and peers with an interest in the steel industry and put a lot of time and effort into considering how such a support package should be constructed. I am also grateful to the management of Corus. On behalf of all of us who have steel plants in our constituencies, I should like to say that both locally, through the local management, and nationally, through the briefings that we have received, we have had excellent support from Corus, which has been very candid and frank with us. As Members of Parliament who represent steel interests, we are all extremely pleased with the way in which it has kept us in the loop.

Dr. Ashok Kumar (Middlesbrough, South and East Cleveland) (Lab): I congratulate my hon. Friend on securing this debate. We should have had this debate not just once but several times because it is such an important issue. Does he agree that one way in which the Government can help and support the steel industry is to make Corus aware of the public infrastructure projects, worth some £13 billion, that they have recently supported, so that Corus can take advantage of such projects? After all, steel is the prime component of civil engineering construction.

Mr. Cawsey: I agree with my hon. Friend. Although I predominantly want to talk about the implication of short-time working and Government support for that, it would be remiss of me not to say how helpful the Government are being in bringing forward construction and infrastructure projects. Hopefully, we will see more of that. Even in my own area, which is covered by North Lincolnshire council—I am pleased that the leader of the council, Mark Kirk, is here for this debate—and the East Riding of Yorkshire council, it is not just the Government who are introducing schemes, but the councils as well. North Lincolnshire is rebuilding secondary schools and constructing a big new entertainment centre and sports academy. East Riding council is building 300 council houses, which is a good construction project providing much-needed social housing. Such things are needed if we are to support the industry through this difficult phase.

As for what further support we could give to short-term working and keeping people employed, there is a common agreement that we should be considering upskilling and retraining the work force. That would help in the challenges ahead and make productive use of the fact that there are fewer shifts available. As well as improving the skills base for the steel companies, it would also mean that if there are future job losses, we will be helping to reskill workers while they are in employment rather than waiting until they are out of work. In that way they will be able to pick up the new economies and new businesses that will come.

Shona McIsaac (Cleethorpes) (Lab): Is it not the case that assistance would help not only the people employed directly in the industry but the many thousands of small engineering firms and contractors that rely on a vibrant steel industry?

Mr. Cawsey: My hon. Friend makes an important point. It is often forgotten in this argument that the big changes involved in restructuring the steelworks 25 years ago moved a lot of people out of direct employment with what was then British Steel into contracting. Although they might not be on the books and in the figures, they are still a key part of local employment and rely heavily for work on a successful steel industry and supply chains.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): I thank my hon. Friend for anticipating my request for an intervention. He will acknowledge that Government support for short-time working would have to be selective and based on a strategic approach that recognised the importance of a skilled work force to a particular industry. In my view, steel qualifies. Would it not be the case, though, that any scheme would have to target carefully, even within the steel industry, in order to ensure that the industry is ultra-skilled and absolutely ready to exploit any upturn that comes along, particularly in relation to the new green technologies and the new generation of nuclear power plants that we are hoping to build in the next few years?

Mr. Cawsey: I agree. Clearly, new technologies are potentially exciting for the steel industry. As one drives out of Scunthorpe one can see, on the border between my constituency and that of my right hon. Friend the Member for Scunthorpe (Mr. Morley), wind turbines sprouting like daffodils in spring. Every week when we go back, there is another one. They are enormous structures, and we want British steel to be part of the manufacturing base for them and for other forms of renewable energy. The challenges are there for us.

In terms of what a support package could be, many other countries are already putting such ideas into practice. My hon. Friend the Member for Aberavon (Dr. Francis) mentioned the Welsh Assembly's ProAct scheme a few minutes ago. As I understand it, the scheme was originally intended for the automotive industry and provided both £2,000 worth of training and £2,000 in wage subsidy to each eligible individual. Next month, the scheme will apply to other industries in Wales, including steel.

Last month, the Prime Minister said of the scheme:

"Through the Assembly, Wales has developed a new programme called ProAct to help people to stay in jobs rather than be made unemployed, and a great deal of work is being done by us to look at that scheme and at how it could apply to other parts of the United Kingdom."—[*Official Report*, 4 February 2009; Vol. 123, c. 487.]

Perhaps the Minister can update us on the progress of that work when he replies to the debate.

Corus has made use of a Dutch scheme for its Netherlands plant. Under that scheme, the work force has access to state aid for employees and companies in cases of national crisis, and the Dutch Government have decided to relax the criteria to cover the current global events. The scheme is now being put into place. Germany has a similar scheme to support income for those in a period of short-time working, as does Austria. In France, Mittal Steel, car manufacturers Renault and PSA, and tyre manufacturer Michelin have called on the French short-time compensation programme. President Sarkozy has proposed to extend the scheme to give significantly more assistance to keep people in work until the worldwide situation improves.

There are plenty of schemes to consider. Increasingly, Governments are coming to the conclusion that in these unprecedented times, it is a better use of taxpayers' money to ride out the downturn, keep capacity in core industries and keep people in work rather than on benefits. My hon. Friend the Minister may have seen the joint proposal from the TUC and the Federation of Small Businesses for constructing a short-term working subsidy. If not, I have a copy that I can pass to him. In their submission, they say of their scheme:

"Such support would enable employers to avoid immediate redundancies and retain essential staff and skills, making business success more likely in both the short and longer terms. It would also reduce the personal and social costs incurred by long-term unemployment…and increase economic demand by limiting the income reductions faced by workers on short-term hours or temporary lay-offs. If linked to training, it would enable longer-term workforce investment."

I cannot disagree with any of that. Surely all those outcomes would be desirable for the Government to achieve.

There is, of course, a cost to the scheme—it is costed at £1.2 billion—but it would keep 600,000 people in work. I have never subscribed to the view that unemployment is a price well worth paying. One of the things that separates the governing party from Her Majesty's official Opposition is our view on that. If we can spend £1.2 billion to protect 600,000 jobs, that would be a price well worth paying. It strikes me that although we all face the same problems around the world, how we respond is crucial to how soon and how extensively our recovery will be. Those who use this period imaginatively to keep people in work, to retrain and to protect incomes and economic activity will win the battle and come out of the downturn with their core industries in place. We in the UK must show that we have the ideas and imagination to do so for our key industries, such as steel. Our workers and our country deserve no less.

1.16 pm

The Economic Secretary to the Treasury (Ian Pearson): I congratulate my hon. Friend the Member for Brigg and Goole (Mr. Cawsey) on securing this debate. I am deeply conscious of the importance of the steel industry not only to his constituency but to those of other colleagues who have come here to express their concerns about the difficulties faced by the sector as a result of the current economic situation.

The Corus plant at Scunthorpe employs many people in my hon. Friend's constituency. The company's plans to restructure its businesses, announced on 26 January, will clearly have worried the employees concerned, their families, the communities in which they live and the region as a whole. I fully appreciate the potential implications for the economy in Lincolnshire. The decision was, of course, a commercial one for the company. I understand that Corus has been forced to make such difficult decisions in order to remain competitive and safeguard the future of its operations in the United Kingdom.

My hon. Friend will know very well that the steel industry is notoriously cyclical. Major slumps in prices and output occurred regularly throughout the 20th century. However, the current recession is considered by many industry insiders to be more extreme than any in living memory. In the first half of 2008, the global steel industry experienced unprecedented price increases due to a combination of global factors, including excessive input price inflation. By July, prices were 70 per cent. higher than at the start of the year. In September, high prices combined with the economic slow-down signalled a sudden depression in demand. During the latter half of 2008, the industry globally failed to anticipate the sudden drop in demand and did not lower output rates quickly enough. As a result, significant stocks have built up.

By January this year, prices were back to their January 2008 levels, but demand has settled at 30 per cent. lower than capacity. Stock levels are still extremely high, and the situation is depressing prices. We are going through a process of de-stocking that will provide some support for prices and should help output to return to a more reasonable level of about 70 per cent. of capacity by the end of 2009. None the less, the steel industry has had to take some tough decisions. Some analysts predict that it could take up to four years before output returns to full capacity. Steel companies around the world have made huge cuts in output in an attempt to weather the storm. Sadly, the UK sector has lost approximately 2,800 jobs in an attempt to balance supply with demand and reduce costs. In addition, short-time working and pay freezes have been introduced across the industry.

As my hon. Friends will be aware, the UK's largest steel producer, Corus, announced in November last year that it had begun to make significant production cuts, which will continue to have an effect. On 26 January,

[Ian Pearson]

it announced the loss of 3,500 jobs—2,500 in the UK and 1,000 in Europe. However, Corus still employs some 41,000 people group-wide, mostly in Europe, of which 24,000 are employed in the UK.

Help for people affected by those job cuts has been put in place. Where significant job losses have occurred, a local taskforce has been established to co-ordinate the support services and help people find new jobs. That taskforce is led by Jobcentre Plus, and includes the Learning and Skills Council, Business Link, the regional development agency, local authorities and trade union representatives. The package includes careers advice and information, skills training, CV and interview preparation, advice from Business Link for those considering setting up in business and advice on benefits. Help from Jobcentre Plus and the rapid response team will also be available to those who face redundancy in the Corus supply chain in the future.

My hon. Friend the Member for Brigg and Goole focused a large part of his speech on wage subsidies. As he will be aware, the Government's long-standing position has been that each country should make policies to suit its own economic framework. Although some countries have introduced wage subsidies in order to retain jobs, we have promoted training for firms—something that my hon. Friend indicated as being the right approach.

The UK has permanent structural advantages in the labour market compared with many other countries. As well as labour market flexibility, the UK system also delivers on-costs—employers' social security contributions that are not only temporarily lower in the way that wage subsidies are, but which are permanently lower than in Germany, France and the Netherlands. In this country, the gap between total labour costs and take-home pay is much less than in some other countries because social security contributions from employees and employers, and direct taxes, are lower.

The UK could not introduce wage subsidies in the same form as in Germany and the Netherlands, for example. First, the Dutch and German systems can, through the social security system, make payments to the company. By contrast, benefits in the UK are paid to the individual, who is required to look for work while in receipt of those benefits. It is a fundamentally different system. Secondly, benefit systems in those other countries are earnings-related and typically provide 60 to 70 per cent. of earnings. In the UK, unemployment benefit is very different in its level and in the way it operates.

In surveys on labour market policies, the OECD concluded that wage subsidy schemes are extremely costly—that is why my hon. Friend mentioned the importance of training. One of the reasons why such schemes are found to be costly is that the dead-weight is high; many eligible firms would have retained workers without the subsidy, and the reduction in profits and wages is now being paid for by the Government. The subsidy acts to create distortions and perverse incentives.

We believe that the future success of British industry will be based on a highly skilled work force. Where production is being reduced, we help businesses to train their work forces to ensure that they emerge from the downturn in the best possible shape to compete in the future. The crisis in the economy is, above all, a credit crisis, and we are implementing packages designed to address that problem directly by offering specific solutions. We are providing real help for the economy and business in a way that meets the UK's circumstances.

We will continue to look at ways of extending help. I know that Yorkshire Forward is working on training subsidies with Jobcentre Plus, and we are looking at what more the Government can do. My hon. Friend mentioned the Welsh ProAct initiative. That programme provides training for employees who have been put on short-time working, and offers an alternative to redundancy through retraining on days that are not being worked. It also includes support to ensure that apprentices complete their training.

Colleagues at the Welsh Department for Children, Education, Lifelong Learning and Skills—DCELLS—have been in discussions with a number of Corus companies. Those include Corus Strip Products, Corus Distribution & Building Systems and Corus Colors, which are preparing business case applications for ProAct support. They have also been briefed on the support available to employees through the Redundancy Action Scheme, ReAct, mentioned by my hon. Friend the Member for Aberavon (Dr. Francis).

Mr. Cawsey: As I mentioned, during Prime Minister's Question Time, the Prime Minister has indicated that he was looking for ways to push a scheme such as ProAct out across the country. I accept that the Minister might not be in a position to answer that point today, but perhaps he could write to hon. Members to let us know what progress is being made.

Although I agree with the general point about subsidy and the dangers of dead-weight, does the Minister not accept that in the TUC and Federation of Small Businesses proposal, dead-weight is specifically addressed? That can be avoided through careful control, to which my hon. Friend the Member for Sheffield, Hillsborough (Ms Smith) alluded. We can get the benefits without the disadvantages. It is about subsidy and links to training, which we need while people are in work rather than on jobseeker's allowance.

Ian Pearson: I understand my hon. Friend's point. The Government have talked to Welsh colleagues about the ProAct scheme. We are familiar with how it operates and we are aware of the request that was made in the submission to which he referred. He mentioned the comment made by the Prime Minister about the ProAct scheme; that issue is currently being discussed in other Government Departments. Our position has always been that a general wage subsidy scheme would not be appropriate for the UK's economic circumstances. However, we are keen to look at how we could provide further support, principally through selective training assistance. My hon. Friend will be aware of a number of things that we have already done, such as introducing greater flexibilities in the Train to Gain system.

By the end of August 2008, Train to Gain had helped more than 100,000 employers and 570,000 employees in England to get training, with over 290,000 learners achieving a qualification. We have supported more than 1,000 steel company sites this academic year, ranging from producers of basic metal to manufacturers of fabricated metal products. I appreciate the point that my hon. Friend made about the strategic importance of steel and the importance of the supply chain.

Dr. Kumar: I recognise the difficulties that the Minister highlights. Has he sat down with the management of Corus and said, "Given all the problems and difficulties that you have, how else can we help?" Has he had any discussions with Corus at board level?

Ian Pearson: There have been a number of meetings between officials in my Department—and in other Departments—and Corus staff. Those have been about our responsibility in terms of the United Kingdom, but as I said, there have also been meetings between Welsh officials and some of the Corus Welsh plants. Some Corus subsidiaries in Wales have been preparing business cases for future support and the ProAct scheme. We have been talking to them through the Department for Innovation, Universities and Skills about the flexibilities available in the Train to Gain programme.

Dr. Francis: Have those discussions included the trade unions?

Ian Pearson: I understand that the discussions have included the trade unions. It is important for the UK to ensure the continued success of the steel sector as it goes through difficult economic times. We seek to provide what support we can through training packages, and we continue to be in dialogue with the steel industry and the supply chain about that.

I want to point out other measures that the Government have introduced, such as the enterprise finance guarantee scheme and support for companies in the supply chain that need help with cash flow during these difficult economic times. We will continue to explore with Corus and other employers in the steel industry whether we can offer more practical support. I recognise that these are serious issues for my hon. Friend's constituency and for those of all hon. Members who have intervened during this short debate. We will continue to discuss those important matters and to provide what sensible support we can at this time.

University for North Northamptonshire

1.30 pm

Mr. Philip Hollobone (Kettering) (Con): It is a pleasure to serve under your chairmanship, Mr. Williams, and I thank Mr. Speaker for granting me this important debate. The issue is extremely important to my constituents in Kettering, as well as to those of my hon. Friend the Member for Wellingborough (Mr. Bone), who is in the Chamber, and of the Minister of State, Department of Health, the hon. Member for Corby (Phil Hope).

The Government launched their university challenge in March 2008. In response, a local partnership was formed in north Northamptonshire comprising all four borough and district councils, the county council, Tresham institute of further and higher education, the university of Northampton, Northamptonshire Enterprise Ltd, North Northants Development Corporation and the Learning and Skills Council. That partnership has pledged its commitment to preparing a business case for the university challenge proposals for a multi-site, dispersed higher education centre that will provide a full offer of higher education in response to student demand.

Tresham institute currently offers a small number of higher education programmes in Kettering, Wellingborough, Corby and east Northants, but it would be able to deliver a wider range through its three existing campuses in Kettering, Corby and Wellingborough if the university challenge application were successful. A large local petition is supported by the local *Evening Telegraph* and has attracted thousands of signatures. The partnership submitted an expression of interest to the Higher Education Funding Council for England in October 2008, and I am delighted that the scheme has been shortlisted as one of the 27 that are being put forward for the 20 available places. Consultants acting for the partnership are preparing our business case, which the partnership intends to submit to HEFCE by June 2009.

The university challenge project is one of the Government's better ideas. When it was announced, Ministers said that they believed that

"a local high quality higher education centre can open up the chance of higher education to more young people and adults who previously may never have thought about a degree while helping drive local economic and social regeneration. Economists estimate that every extra job a university creates is matched by another elsewhere in the economy."

When launching university challenge, the Secretary of State for Innovation, Universities and Skills said:

"In these challenging economic times never have universities and colleges been more important to education, economic development, regeneration and the cultural life of our rural areas, towns and cities."

I could not agree more. Indeed, a delegation from Kettering, Corby and the rest of north Northants went to see the Secretary of State in his office in June 2008. After that meeting, he said:

"I thought it was an impressive presentation. The team that came to see me have really understood the main points of the university challenge and how they can bring economic development to"

their local areas.

Under the rules of the university challenge project, an expression of interest has to be made by a sponsoring university. The university of Northampton is heading the bid to HEFCE for a university in north

[Mr. Philip Hollobone]

Northamptonshire and it is strongly supported by the second sponsor, the university of Bedfordshire. The expression of interest, which was submitted in 2008, said:

"The Secretary of State's...'New University Challenge' was warmly welcomed by local authorities in the north Northamptonshire area, by Tresham Institute of Further and Higher Education (TI) and by The University of Northampton (UN)"

and others, because it provides

"both a stimulus and an opportunity significantly to enhance, extend and deepen access and wider participation to higher education in the north of the county."

It continued:

"UN has been developing its relationship with TI to this end, but the Secretary of State's paper has generated a multi agency commitment to and support for the establishment of (a) formally recognised Higher Education Centre(s) to serve the needs of both young and mature HE learners in the Corby, Kettering, Wellingborough and East Northamptonshire Boroughs"

and districts. It went on to say:

"The initiative also has the full support of Northamptonshire County Council (NCC), the Northamptonshire Enterprise Limited (NEL), the Learning and Skills Council (LSC) and the North Northamptonshire Development Company (NNDC). NNDC has agreed to provide overall leadership and co-ordination of the preparation of a bid, via The University of Northampton, and the University of Bedfordshire has expressed its willingness to join the partnership."

I want to point out early on that the bid is a unified and united one. Whatever the political differences between elected representatives in north Northamptonshire from time to time, they have all signed up to the bid. Everyone has put their signature on the same bit of paper, and there is no difference between any of us, because this issue is so important to the future of our local area, particularly for economic growth.

Mr. Peter Bone (Wellingborough) (Con): My hon. Friend makes a powerful case, as always, on behalf of not only his constituents, but the constituents of all north Northamptonshire Members. We certainly welcome the idea of the university, but is my hon. Friend concerned about the Government's commitment in this area? The further education college at Tresham institute was due to expand—approval had been given in principle—but the Government have since rowed back, and there does not seem to be the same commitment as before. Is he concerned that that might happen with the university as well?

Mr. Hollobone: It is an uncertain time for Tresham institute, which is one of the colleges whose application for funding has been caught up in the crisis at the LSC. The chief executive of that organisation resigned only yesterday, and I very much hope that the Department will get on top of the issue soon, because it would be a sad day for north Northamptonshire if Tresham institute had to put its plans for expansion on hold due to a central Government funding mix-up.

North Northamptonshire is located in the biggest growth area outside the capital city in terms of future housing development. It is a designated Government growth area, and its population of 310,000 is due to increase by 30 per cent. to 400,000 by 2021. Some 52,000 new homes will be provided, as well as, we hope, 47,400 new jobs, although rather more might be required due to the economic recession. It is the largest and fastest growing housing growth area outside London, and the combined area will become the size of Bristol or Nottingham, and larger than Milton Keynes or Peterborough. However, all those other places have higher education centres, while north Northamptonshire does not, and no plans have yet been approved for higher education to be expanded in our local area.

Future employment and inward investment opportunities in north Northamptonshire will require a talented work force with higher vocational skills and qualifications than we currently enjoy. The need and demand for vocational higher education in north Northamptonshire is strong. The existing skills base in the northern part of the county is lower than it could be, and the accessibility of locally situated higher education campuses in Kettering, Corby and Wellingborough is the key to unlocking local talent.

I should like to read from a letter that I have received from Jim Hakewill, the leader of Kettering borough council. It says:

"Congratulations on securing this debate which relates to a vital part of our intention to create sustainable communities in North Northamptonshire...Some six years ago a non-retractable deal was struck with government that if we"—

local councils—

"were to accept being part of the government's sustainable community's strategy, the sequence of events would be Infrastructure - Jobs - Homes. Local people expect no more, or less, from their community leaders to deliver on this deal.

As soon as the opportunity to bid for the expansion of University education, available to all, was announced we (local government and education partners) set aside any political or geographical barriers and embraced the opportunity to bid for this investment in our and our children's future...The North Northamptonshire University locations will enable people who otherwise would have no opportunity to gain these qualifications to do so, throughout their lives, not just as they leave school or college.

Drawing down infrastructure investment and bringing the skills and opportunities required to enable University education to be available in North Northamptonshire is a pre-requisite for fulfilling existing and future employers' investment in our area. It is therefore also a crucial factor in the 'deal' made with government to accept growth in our towns and villages. Since those first expressions of interest the position has become even more crucial with the economic crisis the country faces and the obvious impacts on our existing local economy. There are particularly young people whose families cannot meet the cost of their children moving away to gain a university education."

Councillor Hakewill goes on to state that through Kettering borough council's

"membership of Milton Keynes and South Midlands leadership group we have been asked, not least by minister Iain Wright MP"—

in the Department for Communities and Local Government—

"to put forward projects that can be quickly brought to completion and which will help boost the economy. I can see few better opportunities to achieve both the government's and local people's ambitions for North Northamptonshire than to fast track the decision-making process and allocate the relevant funding to establish this much needed educational opportunity."

This is surely the point. Under the Government's sustainable communities plan, it is intended that 47,400 new jobs will be needed in north Northamptonshire by 2021. However, even before the economic recession got a grip, current trends suggest that it is not yet clear from where at least 19,000 of those jobs will come. Although manufacturing accounts for 22 per cent. of the north Northamptonshire economy—compared with just 11 per cent. in the UK as a whole—the area is starting to move

away from the traditional industries of the 1980s and it needs relevant high-level skills to accommodate change. At the moment, a local higher level skills shortage is restricting future potential growth.

Mr. Bone: Wellingborough is faced with an unusual situation in that unemployment is more than 50 per cent. higher than in 1997. Some 17 per cent. of the adult population have no qualifications at all, compared with the national average of 13 per cent., so there is a real need to improve the skills level in Wellingborough.

Mr. Hollobone: My hon. Friend is right. One of the important things about the university challenge bid is that the locations for a further education offer are already in place in Corby, Kettering and Wellingborough. A university could be bolted on to such locations. The template exists locally in the three major towns in north Northamptonshire to provide doorstep access to higher education for many local people who currently do not aspire to it. If people do aspire to higher education, they currently have to go further afield to access the higher education that they seek.

Tresham institute is already developing its higher education offer. However, if the university challenge bid were successful, it would provide some rocket fuel to those ambitions. Tresham institute's concept and approach to higher education in north Northamptonshire includes:

"The validation of Higher Education and Higher Level Skills that relate to the economic and skill needs of the community of North Northamptonshire.

Significant opportunities to attract 'new learners' who might not have previously considered Higher Education and Higher Education Progression.

Diploma line developments and a linked line to Higher Education and Higher Education Progression Opportunities from the schools sector",

and supporting

"employer engagement and enabling part-time flexible upskilling."

This year, Tresham is establishing higher education programmes in business and fine art, and level 5 in accounts. Next year and in 2011, there will be further higher education programmes in health and care, sport, public services and additional education programmes. A further seven higher education programmes are planned for 2011 to 2013.

In the guidance that HEFCE has issued on what will make a successful bid, it lists among the criteria some of the following, all of which are met by the bid from the north Northamptonshire education partnership: increasing higher-level skills, particularly for those with no previous experience of HE; the creation of a highly skilled work force, with relevant skills for the local business community; supporting appropriate progression arrangements; supporting a sustainable demand for studying; stimulating a sustainable demand for studying; collaboration between higher education institutes, and between HEIs and further education colleges; and strong, coherent support for local partners. In addition, it also states that a new higher education centre would contribute to meeting the needs of local, regional and national employers.

The bid from north Northamptonshire is strong and has already impressed the Secretary of State for Innovation, Universities and Skills. Everyone in the local area is signed up to it, and considering all the house building that is expected to take place, it could make a real difference to the future of north Northamptonshire. We could even go as far as saying that if north Northamptonshire does not get a university and approval for its university challenge bid—I believe that it is the only one in the east midlands region out of the 27 successful bids so far—it is not clear to those involved in the process of regeneration and housing growth in the local area that the employment targets for the local area will be met.

Of the 47,400 jobs that the Government plan to create by 2021, there is a shortfall of at least 19,000. Those jobs could be provided by the economic stimulus that a new university in north Northamptonshire would provide. If the university challenge scheme is unsuccessful, there will be a big black hole in the employment prospects for north Northamptonshire. We will not have a sustainable community, as the Government intend. Instead, we will have lots of houses, not enough jobs and insufficient infrastructure.

My task is to impress on the Minister the importance of this bid—not just for local education opportunities, but as part of the Government's whole approach to getting some growth into the north of the county. I hope that when decision time comes on the issue, the Minister and HEFCE will look favourably at the proposals for a university in the north of Northamptonshire.

1.48 pm

The Minister of State, Department for Innovation, Universities and Skills (Mr. David Lammy): I congratulate the hon. Member for Kettering (Mr. Hollobone) on securing the debate. I also congratulate the hon. Member for Wellingborough (Mr. Bone) and the Minister of State, Department of Health, my good and hon. Friend the Member for Corby (Phil Hope) on their work towards and long commitment to getting a university centre in north Northamptonshire. The hon. Member for Kettering spoke on the subject no less convincingly than he has spoken on previous occasions when he has raised the matter in the House and made direct representations to my right hon. Friend the Secretary of State.

I must make it clear for the public record that the final decision on whether to establish a university centre in the Kettering-Corby-Wellingborough area will not be taken by me or my right hon. Friend the Secretary of State; it is a decision for the Higher Education Funding Council for England. That body will take that decision on the basis of assessing the bids against the published criteria and according to their comparative quality. It would not, of course, be proper for members of the Government to intervene in that process.

I know that the hon. Member for Kettering is already aware of all of that. His confidence in the Northamptonshire bid's prospects for success on its own merits was evident from his speech. That does not lessen the effect of his eloquence today, nor of the fact that the proposal in whose favour he has spoken has the merit of commanding cross-party support in his area as well as the support of many local businesses and other organisations.

I know that because just two weeks ago I was able to witness for myself the good work being done in Northamptonshire when I attended the signing of the higher level skills strategy for the county. It is an agreement between the university of Northampton and partner

[Mr. David Lammy]

colleges Moulton college, Northampton college and Tresham institute. The strategy is an important initiative, and I was pleased to launch it. It would be right to say that it and the ambition for the wider area are partly based on the hope and expectation that a new university might come to the area.

I should make it clear that I do not wish to take issue with the basic argument that a new university centre would bring great benefits to north Northamptonshire. I clearly recognise that a new university centre would make a key contribution to the regeneration of the area by unlocking the potential of the local towns and people and by driving economic growth. I say that as someone who spent seven wonderful years at school in Peterborough, just next door. I am acutely aware of the nature of the people and the environment, of the histories of the area's market towns, and of the contribution that a university could make.

There was a time when most people regarded universities as separate from everyday life, and certainly as largely separate from the lives of the communities in which they were situated. That is no longer true. Universities and their communities have drawn closer in recent years and, if anything, the effects of the economic downturn have given added impetus to that process. Businesses and ordinary working people are becoming increasingly aware that the world of higher education has something important to offer them. I was pleased when I was in Northampton that so many local businesses and the local chamber of commerce were there alongside the university and the colleges. That indicated the strength of ambition in that important growth area of the country.

At the same time, the universities have come round to the view that the unprecedented levels of public funding that they now enjoy confer a responsibility on them to demonstrate their value to the generality of the population, not just the 2.5 million or so people who are taking degrees at any one time. That was demonstrated graphically by Universities UK's aptly named brochure on higher education and the economic downturn, "Standing together: Universities helping business through the downturn". It was published at the end of last year and contains many examples of how universities are working in partnership with local and regional employers.

All over the country, universities are now getting involved with local authorities, regional development agencies, chambers of commerce and bodies such as Business Link. They are sitting down at the table with those who are making strategic decisions for the local area. They are representing future skills needs in those conversations, and it is hugely important that they are able to drive the ambitions of our local communities.

The universities are looking to take more of their knowledge and innovation out to the marketplace through knowledge transfer. They are taking more of their tuition off campus and out to the workplace itself. That should be welcomed by everyone who is interested in social and economic development. In short, it means that universities are becoming an ever more integral and, indeed, indispensable part of the economic supply chain and our social fabric.

When we talk about a knowledge economy, it is important to think about what underpins it. It was clear from the hon. Gentleman's contribution that an area with the rural-industrial past that his has needs real drivers to achieve ambitions. We all know that it cannot be about housing stock only. It has to be about infrastructure that lifts the aspirations not just of young people but of adults and parents as well.

That is why HEFCE is now offering new support for co-funding of courses by universities and employers. It is why the research councils are now scrutinising the economic impact of the projects that they fund, and, not least important to this debate, it is why the new university challenge that my right hon. Friend the Secretary of State announced last year will bring a higher education presence to communities in parts of the country that have not previously benefited from or been served by one at all. Our ambition is that 20 new university centres will be opened or committed to over the six-year period up to 2014. They will provide places for 10,000 extra students when fully operational.

The new university challenge has generated significant enthusiasm in the hon. Gentleman's area and elsewhere. Applications from no fewer than 27 areas were submitted to HEFCE last November. That demonstrates the appetite for high-level skills and understanding across the country.

Formal applications for university centres must be made to HEFCE which, as I said, will judge them on a fair basis against the criteria. HEFCE published its detailed guidance for applications on 9 March and made it clear that applications must address a range of priorities, including increasing high-level skills, creating a highly skilled work force for the local economy, and supporting progression and sustainable demand for studying. Applications must also meet criteria for collaboration between universities and further education institutions. I know that that is an area of activity where Northamptonshire already has a strong record.

Crucially, applicants need to be able to demonstrate support from local partners, as well as long-term sustainable planning and management capacity. Those are all good reasons for hon. Members to continue to lead in making the formal case for developments to the funding council with the support of local people, local businesses and funding bodies such as the regional development agencies.

Although challenging, the criteria are sufficiently flexible to be adaptable in principle to any part of the country. I can therefore assure hon. Members that the final choice of successful applications is in no way a foregone conclusion. There is no single model for a new higher education centre nor a defined set of acceptable models. In most cases, we anticipate supporting new higher education centres that are based in or linked to existing providers offering new opportunities. We do not rule out the possibility of the creation of a genuinely new university in the longer term if a strong case can be made for one.

The hon. Member for Kettering is a powerful advocate for the creation of a new university presence in north Northamptonshire. He has been supported by the Minister of State, Department of Health, my hon. Friend the Member for Corby, and by the hon. Member for Wellingborough. I congratulate them on continuing to make the case, and I am pleased to put on the record not just the important—

2 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Wednesday 25 March 2009

[MR. JOE BENTON *in the Chair*]

Ashraf (Geneva Convention)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Steve McCabe.]*

9.30 am

Andrew Mackinlay (Thurrock) (Lab): I am pleased to raise this debate about the residents of Ashraf City and the obligations of the United Kingdom, and other members of the so-called coalition, to them in terms of their protected person status under the Geneva convention. I am proud, for the purposes of the debate this morning, to wear the symbol of Ashraf City in solidarity with these people, who are brave patriots of Iran and are looking forward to the day when their country will be rid of a cruel totalitarian regime that not only persecutes their people within Iran, but is acknowledged by United Kingdom Ministers, along with many others, as the arch-exporter of terrorism around the world and, particularly, as destabilising the region of the middle east. That is the backdrop.

I acknowledge the helpful response that I received, as did those of us in the parliamentary campaign that represents the whole political spectrum at Westminster, and which has hon. Members drawn from every party and every persuasion. We acknowledge the endeavours of the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Harlow (Bill Rammell) and his predecessor, my right hon. Friend the Member for Pontypridd (Dr. Howells) and, because it is relevant to show a reason why we have to raise this debate, the noble Lord Malloch-Brown. My reading of the comments and reactions of those Ministers is that they have some sympathy with and concern about the issues involved and, I suspect, anxiety about the future of the people at Camp Ashraf, which is situated some 80 km north of Baghdad.

I name those Ministers because they show where the United Kingdom Government have not shown great coherence of policy and utterances. I separate those three members of the Government from my right hon. Friends the Secretary of State for Justice and Lord Chancellor, the Home Secretary and the Minister for Employment and Welfare Reform, who, in their respective roles as Foreign Secretary, Home Secretary and Home Office Minister, have sent mixed, ambiguous messages to the regime in Tehran, both in relation to the people at Camp Ashraf and in respect of the wider campaign and movement of people in exile trying to overcome the cruel regime in Iran.

Some of the mixed messages have been given in relation to what the United Kingdom says and does concerning the people of Camp Ashraf. Everyone in the parliamentary campaign Committee recognises that we have to deal with the world as it is, rather than how we would like it to be, so we always understand the need for engagement with the cruel regime in Tehran; but we do not accept the need to appease it. In our view, regarding the people in exile and those in Ashraf City, my right hon. Friends the Secretary of State for Justice and Lord Chancellor, the Home Secretary and the Minister for Employment and Welfare Reform have not understood that.

Why do we raise the question of the people in Ashraf today? These people have, for two decades, had this camp in Iraq, which is now called Ashraf City. They are Iranians who have stood firm for two decades in defiance, close by the territory governed by the cruel regime in Tehran. Of course, they have been a source of considerable irritation to that totalitarian regime. It is a matter of fact that they were given harbourage there during the time of Saddam Hussein's rule of Iraq, but they have always been at pains to distinguish between the accommodation that they were granted by Iraq and the fact that they did not support the Saddam regime.

Just before the invasion of Iraq, my noble Friend Lord Corbett of Castle Vale gave the United Kingdom Government the co-ordinates of the Ashraf camp in order that it would not be shelled or attacked by coalition forces. Those of us in the parliamentary Committee have to say with some regret that we are bewildered about what happened to that information supplied by Lord Corbett, because the people in Ashraf suffered and endured attacks by the coalition forces. We wonder whether those co-ordinates were transmitted to our UK coalition commanders. That is history, but it is raised as a relevant issue this morning, because in my view it heightens the obligation of the UK Government now to get it right.

All hon. Members welcome the handing back to the people of Iraq the sovereignty of their country. However, the view of the parliamentary Committee is that that change—particularly handing over the green zones in Baghdad just at the turn of the year—does not absolve the United States, the United Kingdom or other coalition partners of their humanitarian obligations to the people of Ashraf and their obligations under the Geneva convention, because these people have protected person status.

At the challenge of the UK Government the people of Ashraf demilitarised: their weapons were put beyond use. That was a noble gesture. It is a product of a carrot-and-stick policy, but since 2002 they have demonstrably and unchallengeably been disarmed. I deliberately use the word "unchallengeably" because this matter was tested in the UK courts. We in the parliamentary Committee—this is in the Register of Members' Interests—were proud to pursue in the Proscribed Organisations Appeal Commission in London, which has the status of the High Court, an appeal against the attitude of the Home Secretary in relation to the supporters of the people of Camp Ashraf City: what is known as the PMOI, or the People's Mujahedeen Organisation of Iran. In that court, Lord Justice Ognall accepted that these people had been disarmed since 2002-03, although the British Government tried to imply otherwise.

For your information, Mr. Benton, this matter was tested by the highest standards of the United Kingdom courts. At one point, we members of the parliamentary campaign Committee were excluded from the court and special advocates looked at the secret information, but still the Court found that there had been demilitarisation and the standing-down of weapons. The case went to appeal with the Lord Chief Justice presiding, who said

[Andrew Mackinlay]

that the attitude of the British Government was perverse. I am told that this is a pretty high comment, coming from the Lord Chief Justice.

It is important that the House understand that the judgment of the British Government was found to be flawed. These people in Ashraf, and their supporters, have stood down from what could be described as military activity in a way similar to what Sinn Fein-IRA have done in Ireland.

Mr. Nigel Evans (Ribble Valley) (Con): Does the hon. Gentleman not also find it ironic that although one benefit of the Iraq war is that the people of Iraq have been released from one of the most hideous regimes, under the tyrant Saddam Hussein, one consequence of that—what now could occur—is that a group of people in Camp Ashraf could be taken from a new, democratic country and put into Iran, which is another hideous regime? If that happens, their safety is at risk and some of them could well be executed, because the current Iranian regime has form in that regard, having executed 120,000 people. If those 3,500 people are put into Iran they could find themselves dead.

Andrew Mackinlay: To say the least, it is highly probable that they would be executed and/or suffer appalling persecution. It is important to remember that the Foreign Office, which is very much an hereditary Foreign Office, consists of people similar to those who made the judgment in 1945 to return the Cossacks and Tartars back to Joe Stalin, and we know the consequences of that. That is what hon. Members want to avoid for the people of Ashraf. We fear that they will become the Cossacks of our generation, unless the United States and the United Kingdom make it abundantly clear, primarily to the Iraqi Government but also to Iran, that those people should stay where they are and enjoy the protection of the coalition forces for reasons to which I have referred: our overriding humanitarian obligations and our duty to protect them, as well as our jealous protection of the Geneva convention.

Bob Spink (Castle Point) (Ind): The hon. Gentleman is aware that the Iraqi Government have said that they will remove the 3,500 people from the camp without force, perhaps to other countries. Does he know which other countries would take them, and whether the Ashraf people are prepared to talk or whether they want to stay?

Andrew Mackinlay: The question is academic, because no country is lining up to offer immigration to the Ashraf people, although it is fair to say that they do not want to move. An immediate issue is the determination of the Iranian regime to have them back in its claws. I shall return to that to explain why.

Mark Williams (Ceredigion) (LD): The hon. Gentleman will be aware that, on 28 February, former President Rafsanjani of Iran visited Iraq and met the Iraqi President to make the Iranian's Government's position abundantly clear on the return of the Ashraf people to Iran. As the hon. Member for Ribble Valley (Mr. Evans) said, the Iranian Government certainly have form. A few months ago, Iranian relatives of Ashraf residents attempted to leave Tehran to visit their relatives, and many are still languishing in Evin prison in Tehran, simply for attempting to visit their relatives.

Andrew Mackinlay: I am grateful to the hon. Gentleman for reaffirming the Iranian regime's form. People who wanted to visit their loved ones are being persecuted for trying to do so.

The hon. Gentleman referred to 28 February, which is an important date, because as well as the former Iranian leaders' utterances and the visitation to which he referred, the Iranian supreme leader, Khamenei, said:

"The occupying military forces"—

American and United Kingdom forces—

"must leave Iraq as soon as possible"—

no doubt he was waving his finger—

"since every day that their departure is delayed, it will be to the detriment of people of Iraq."

That is quite menacing. He told the Iraqi President:

"The mutual agreement regarding the expulsion of the Monafeqin"—

the term used by the regime to describe the PMOI—

"from Iraq must be implemented and we are waiting for it."

Clearly, there is enormous pressure on the Ashraf residents, who feel beleaguered and surrounded, and other hon. Members and I will amplify how threatened they feel and the reasons for that. The backdrop is that the Iranian regime feels increasingly wobbly, which I welcome, and that has been reflected in recent provincial elections in Iran. Khamenei and Rafsanjani are putting pressure on the Iraq Government. Another name that I want to introduce is Mowaffak al-Rubaie, who is the Iraqi national security adviser—many of his utterances have a similar ring to those of Joseph Goebbels—and he said on 8 March:

"It is legitimate for Iran to have such a position"—

that is, to demand that the Ashraf residents are handed over—

"We therefore adopted a clear and precise policy of expelling this terrorist organisation out of Iraq and rapidly return Ashraf residents to Iran".

He continued:

"These individuals have been brainwashed and we must free them from this poison. This process will be painful in the beginning but there are no other alternatives than to resort to this painful measure."

That has the ring of the early 1940s.

Mr. Brian Binley (Northampton, South) (Con): Does the hon. Gentleman accept that President Talabani has said:

"The Monafeqin are criminals who have committed countless crimes against the people of Iraq too and the Iraqi government is determined to expel them and it will carry this out"?

Andrew Mackinlay: Absolutely. The anxiety of my colleagues in the campaign is that the utterances by Iranian leaders are having an impact on the fragile and split Government in Baghdad. The national security adviser, al-Rubaie, goes on to say that the people of Ashraf

"do not enjoy the...humanitarian status of refugees. They do not have the right to political asylum. I can clearly state that they have no right to stay in Iraq".

As recently as 11 March, he issued a strongly worded, 10-point directive that was addressed in menacing terms to the citizens of Ashraf. It stated that there is an absolute prohibition on entry of any material except water, food and medicine; that the building at the entrance of Ashraf will be forcibly occupied and the residents expelled; that any Ashraf resident may be arrested; that any Ashraf resident wearing uniform will be prosecuted; that there will be an immediate prohibition on any new construction or changes to the buildings, including those that make Ashraf City civilised, such as squares, boulevards, statues and so on; and that all buildings that are erected can and will be demolished. That menacing persecution diminishes the status and pride of the people who live in exile.

Al-Rubaie went on to say that the number of Iraqis who visit Camp Ashraf will be reduced. There is considerable support for Ashraf City among Iraqi citizens, but the Baghdad Government want to discourage that. Finally, an intelligence officer—someone who is close to the Prime Minister of Iraq—will control the gate of Ashraf. The citizens of Ashraf must allow Iraqi forces to inspect and control vehicles and supplies coming into Ashraf, and the Iraq flag must be hoisted on all watchtowers and in the middle of the camp. Al-Rubaie calls it Camp Ashraf; I call it Ashraf City. Those inspections by Iraqi soldiers take place around the clock.

On 13 March, Iraqi forces attempted forcibly to evacuate some buildings in Ashraf City that were occupied by women citizens in a women's dormitory. That was painful, traumatic and menacing, and it took place for reasons that we cannot understand. We believe that there was no legitimate excuse, but that Iraqi forces wanted to assert their right to move in and to demonstrate their power.

Similar incidents have occurred during the past few weeks, and thank goodness for the presence of the United States military. I do not mean to trivialise the situation, but they came over the hill like the seventh cavalry in the nick of time to be adjudicators in the dispute to prevent what could have been a very dangerous situation, which could have been inflamed and escalated out of all proportion.

When the United States military are not around, however, the Iraqi forces—at the bidding, in my view, of the Iran Government—take advantage of that. I am referring to the tactics of moving in and aggravating the people of Ashraf. That needs to stop, and it can be stopped if the United States makes it clear to both the Iraq Government and Iran that it will not tolerate it and if the United Kingdom Government also say, "We're standing by this. We will support the United States. We, too, believe that we have obligations to these people, both on general humanitarian considerations and in relation to the Geneva conventions."

Another canard that is put around is that, somehow, the people in Ashraf City are being held and maintained or contained in the city against their will. That is totally untrue; it is a ludicrous claim. We all acknowledge that, in a population of 3,500 to 4,000 people, there will inevitably be people—one is not bothered by this—who, for a variety of reasons, want to get out of the situation. After all, you and I know, Mr. Benton, that people leave holy orders, even though they were committed at some stage for the long haul—for life. We all wanted to get into politics, but some of us are now beginning to consider our exit strategy. We do not do things for ever. Many of the people in Ashraf City have been there for two decades, so it is hardly surprising that there is a trickle of people who wish to leave—and leave they can. About 250 people have left, over quite a long period, but the vast majority want to stay where they are, and those who wish to leave can leave.

Hon. Members do not have to take my word for it. Representatives of the International Committee of the Red Cross have interviewed people in Ashraf City to reassure themselves that there is no compulsion on people to stay. It is nonsense to say otherwise, but that is sometimes spun by the Iranian regime and now by the Iraq Government, and what I fear from time to time is that the United Kingdom spokespersons pick up on that nonsense and repeat it, again giving succour and encouragement to the propaganda regime of Iran.

Many other hon. Members want to contribute to the debate, and I shall be pleased to hear their views. I have said that I acknowledge the spirit in which the United States military have kept an eye on the people of Ashraf. Through this debate and through the United Kingdom Government, we want to urge them to continue to do so, but we in the parliamentary campaign think that it is time that the United Kingdom Government went and had a look themselves. I do not know what modalities exist for that, but we are saying in this debate that we are quite certain about the persecution. We are quite certain about the jeopardy that the people are in. We are quite certain that they are not there for any reason other than their desire to be patriots and stand firm against the regime. They do not want to leave. However, we are inviting the British Government to test that themselves.

It is time that there was a mission or a visit made at official level. That in itself would also send a powerful signal to the Government in Baghdad and, through them, back to Tehran. For reasons of wider foreign policy, it is time that we were sending more robust signals of our aggravation about the stance internationally of the Tehran regime. I shall give way to the hon. Member for Northampton, South (Mr. Binley), because he looks as though he is poised to intervene.

Mr. Binley: I am merely listening intently.

Andrew Mackinlay: I see; then I shall conclude, because I think that I have painted a pretty good canvas to show what the position is. We look to the British Government to respond. I hope that we can send this morning a signal from the United Kingdom House of Commons to people both in Ashraf City and around the world in exile who are looking for the day when the persecution will be lifted and they can restore parliamentary democracy and secular government to a very important, proud and historic country, which has a wonderful record of contributing to civilisation. That is what we wish to see returned, and we acknowledge this morning the great contribution that is being made to that task and the great bravery that is being shown by the people of Ashraf City.

9.55 am

Mr. Brian Binley (Northampton, South) (Con): I start by offering hearty congratulations to my friend the hon. Member for Thurrock (Andrew Mackinlay), who has been a doughty fighter for this cause for many years

[Mr. Brian Binley]

and who, since I have been a Member of this place, has been at the forefront of this battle. His efforts deserve congratulations and need to be recognised.

Let me read out one of the most chilling statements that I have heard in recent history:

> "The people of Ashraf have become brainwashed and we must act to cleanse them. This will be painful in the beginning but we have no other alternative."

One might think that those words could easily have come from some of the dictators who created such havoc in the 20th century. One might think that they could not possibly have been uttered in the new century. The truth is that they were uttered only a few weeks ago by Dr. al-Rubaie, the national security adviser to the Iraqi Government. Many would argue that we face a real problem in dealing with the Iraqi Government in that respect. It is often said by others—I have no evidence myself—that that gentleman is on the payroll of the mullahs. I cannot give a guarantee that that is the case, but those chilling words suggest that it may well be, and we need to take great heed of people who speak in that way.

We also need to recognise what Camp Ashraf is. The hon. Gentleman explained that it is made up of about 4,000 people. Incidentally, that is 1,500 more than we rescued in the Falklands from the grip of Argentinian dictatorship. There are about 2,500 indigenous people in the Falklands and 4,000 in Ashraf. As my good friend rightly said, those in Ashraf were members of the People's Mujahedeen Organisation of Iran. They would argue that they were freedom fighters in that troubled country—a country that has been troubled for the past 50 years or so. You, Mr. Benton, will no doubt remember Mr. Mossadeq and the problems in the early 1950s. We are talking about a country that has faced troubles and tribulations for a long time, but they are nothing like the tribulations that it faces now: the treatment that is being meted out to women in Iran; the treatment that is being meted out to homosexuals in Iran; and the treatment that is being meted out to members of the Baha'i faith in Iran now. The same also applies to members of trade unions and students.

Iran's record on human rights stands exposed. In a world where the concept of human rights has been much maligned in many nations, that nation stands out, and we need to take note of that when considering the problem of the plight of the people in Ashraf. My good friend reminded us that they are protected under the Geneva convention; they were granted protected persons status in 2004. They are also protected under international humanitarian law and the principle of non-refoulement. I am not being clever when I use that phrase; indeed, I did not know what it was, so I looked it up and found that it is the internationally recognised principle under which no refugee should be forcibly removed from a secure and safe haven. That, equally, needs to be taken into account.

On the basis of that protected person status, American forces have been protecting Ashraf since 2004, and we need to pay tribute to them for that. The Americans are a freedom-loving nation and they have shown that in practical terms as the protectors of the protected persons in Camp Ashraf.

Responsibility for that protection was handed over to the Iraqi regime at the end of December 2008. Initially, we were encouraged because we heard fine words from the Iraqis about understanding their responsibilities. Since then, however, the situation has deteriorated rather frighteningly. Lorries carrying supplies to the camp have been prevented from entering. As we have heard, a building, which mostly comprised a women's dormitory, has been cordoned off. People have been threatened, and there are even reports of beatings.

Mr. Evans: Is my hon. Friend as mystified as I am that although this country has contributed billions to an operation to release the people of Iraq from a hideous regime, we have no influence over the new democratic regime in seeking to bring about proper, humane living conditions for one group of people? Why do we have no influence when we have spent all this money releasing the people of Iraq?

Mr. Binley: I understand my hon. Friend's point, but we would not be here today if we did not think that the Government were prepared to bring some influence to bear. That is the very reason why we are debating the issue. I have every faith that the Minister, who we all know to be a good and fine man, will give us some words of hope in that respect when he speaks.

Members of the civilian population have been beaten. Those are not my words or the words of the National Council of Resistance of Iran, but the words of an Iraqi official, who made that admission in a statement to Reuters. The truth is that we cannot remain silent. We have a responsibility to protect the people of Ashraf under the principle adopted by the 2005 UN world summit. We should urge President Talabani and Prime Minister al-Maliki to respect the rights of Ashraf residents. They properly said that they would do that, but they have failed to do so in real terms since they became responsible for that protected group. They should vow to uphold that judicial protection, and I seek an assurance from the Minister that we will push as hard as we can to ensure that such a vow is given by the Iraqi Government, whom we spent so much money freeing from a dictator of some repugnance, as my hon. Friend the Member for Ribble Valley (Mr. Evans) said. I also ask the Minister to pressure the Iraqi Government to give a firm guarantee that they will take such actions, given that they accepted responsibility in the first place.

We should demand that the order that Mr. al-Rubaie issued in respect of Ashraf, which prevents basic commodities from reaching the camp's residents, is revoked immediately for humanitarian reasons. I would also suggest that a man who makes the kind of chilling statement that I quoted in my opening remarks should never be in the position of advising Iraqis on national security if the west has any influence at all on the many millions of pounds that it has spent in their country.

We should ask the Iraqi Government to ensure that foreign journalists and international parliamentary delegations are allowed into Ashraf, because they are being hampered and stopped. If ever we need to be fearful, it is when a nation prevents journalists from entering an area and parliamentary delegations from truly understanding what is happening there. That must tell us all that frightening things are happening to a group of people to whom we have guaranteed protected person status.

We should urge the US Government to resume protection, on the finer premise that they are the only force in the area that is not susceptible to Iranian pressure, because there is no doubt that the Iranians are pressurising the Iraqis. The victims in the first instance could be the 4,000 people who have been granted protected person status, but whom we have failed to protect. If that happens—if the fear that I have comes to fruition—I would begin to fear for the well-being of my children and grandchildren, because such a development will impact on all our freedoms. It is in that sense that I ask the Minister to reply.

10.7 am

Mr. Nigel Evans (Ribble Valley) (Con): It gives me great pleasure to make a small contribution to this important debate, and I congratulate the hon. Member for Thurrock (Andrew Mackinlay) on successfully bringing the issue to our notice.

I am a member of the Council of Europe, and if we stand for anything in what we do, it is human rights. The more I learn about what is going on in Iran and about the conditions in which people are living in Ashraf, the more it makes my blood boil. We all have a duty to ensure that changes are made.

Let me pay tribute to Lord Russell-Johnston, who, sadly, died last year. He played an important role in promoting the rights of all those who believe in democracy throughout the world, but particularly in Iran. He would have been delighted to know that his campaign has been so successful, albeit, sadly, after his death. It has been a long battle to get the PMOI removed from the terrorist list, and I am delighted that that has eventually happened. I also pay tribute to my predecessor in Ribble Valley, David—now Lord—Waddington, who was instrumental in the campaign to bring that about. More than anything, however, I congratulate the ordinary democracy-loving people of Iran, who have waged a longer campaign to bring peaceful democracy to Iran, and we wish them well in their battle.

Much has been said about the rights under the Geneva convention and other treaties that we have signed of those who live in Ashraf. Irrespective of what we have signed up to, however, it is human decency more than anything else that should make us ensure that we do right by those people. One has only to look at the current regime in Iran to know what is likely to happen should the 3,500 people who live in Ashraf be moved there. The hon. Gentleman said that they could go to a third country, but there is no list of third countries waiting to take 3,500 people. Furthermore, if they were to go to another country—let us say that we opened the doors to 3,500 people—that would be to remove them from the region they love and where their relatives live. We would not do that to prisoners. When we put people in prison we ascertain where their relatives live so that they do not have far to travel. Putting those people into a third country would bring another huge problem. The best thing, surely, is to give the people who have lived in that place for many years—no doubt children have been born there, and all they know will be Ashraf—the support that we have given to the rest of Iraq and its people, so that they can live a decent life in the present period.

I refer to the present period because I have great hopes that the democratic desire of the vast majority of decent Iranian people will eventually win through, and that there will be a new, democratic Government in Iran, totally different from the current Government, who seem to enjoy executing people. I mentioned the figure of 120,000—I know that the Minister knows all this—but it is not just that so many people have been executed; it is that the manner in which it has been done, and the reasons for it, are appalling. One has only to do a Google search to see the most graphic pictures of people who have been publicly executed in Iran, some of them for the hideous crime of being gay. Yesterday in the House of Commons we pushed through legislation to ensure that people cannot even make jokes about people being gay, but in Iran people will be executed and tortured for it.

I was on a delegation at an Inter-Parliamentary Union conference and we spoke with some Iranian MPs. They were not a nice group of people; they were not my favourites among the groups I met that week. When I raised the subject of the execution of two young lads accused of being gay, one of whom I understand was under 18, the response was, "If they do those sorts of things in private no one will really know about it, but if it becomes public they will be tortured." I intervened and said, "Tortured! Yes, you may torture them first; then you execute them." The photographs are there for anyone to see. The issue first came to my notice when I read about it in a Sunday magazine. The piece said that the two young lads looked as if they were going off for a walk in the park, because they were dressed in casual clothes, but they were not—they were going to their execution.

The regime is one in which women are second-class citizens and stoning is still allowed; stoning takes place!

Mark Williams: I am sure that the hon. Gentleman would agree about the public façade adopted by the Iranian regime; the Iranian Parliament last year passed a penal code outlawing stonings, but the Government are incapable of enforcing their own rules. Does he agree that when we think of Ashraf City we think of a fully fledged community? He talked about children there who have never known anything different. It is a community of 4,000 sq km, and the prospect of juveniles going back to Iran to face such punishments as he has described for daring to challenge the regime is frightening.

Mr. Evans: Part of the problem, of course, is getting our minds around the idea of how society in Iran functions. We know that women who are inappropriately dressed in the street will be beaten, and put into cars and driven off. We have seen footage of that on the BBC. When we tried to show the Iranian MPs that they dismissed it and were not interested. Camp Ashraf is a community. My hon. Friend the Member for Northampton, South (Mr. Binley) mentioned the Falkland Islands. We are talking about a population in excess of that of the islands, and we should recognise that community, which has lived there for some time.

Jo Swinson (East Dunbartonshire) (LD): I have been listening to the hon. Gentleman's intriguing tale of meeting Iranian MPs and his remarks highlighting the mistreatment of women, and wonder whether there were any women MPs in the delegation he met.

Mr. Evans: There was a token one; I use the word "token" because the IPU encourages delegations to bring women to conferences, because we want more

[Mr. Evans]

women to be elected and to take positions of responsibility. I am afraid that there was just one, token, woman in the Iranian delegation. Our delegation was led by a woman, and I was very pleased by that difference.

If people going to visit friends and relatives in Ashraf are persecuted in Tehran, as has happened, my great fear is about what the consequences will be if the 3,500 people in question are taken to Iran. There are all sorts of reasons for wanting good relationships with Iran—for example, Iraq is its neighbour in the region—and we can understand that. I suspect we can even understand the possibility of secret negotiations involving our Government, the American Government and Iran; all sorts of deals are done behind closed doors. Indeed, Obama has already made a number of public proclamations about wanting a friendlier relationship with Iran. We want that; we would prefer dialogue to a stand-off and Iran's continued progress towards making nuclear weapons. What a fearful prospect it would be if Iran could make and deliver them; we know that it has the capability to do that.

I want the Minister to acknowledge that he recognises the current situation and knows that the regime is, to use an understatement, unpleasant, and that if the people of Camp Ashraf are taken from there to Iran the likely consequences will be torture and execution. We cannot allow that to happen.

I finish as I started, by paying tribute to the many democracy-loving Iranians throughout the world who pray for the day when the regime that currently occupies their country will be removed and a proper full democracy will be implemented there, to everyone's benefit. I pay tribute to them because we, as politicians, sometimes take a stand on difficult issues, but in the main we do not fear for our lives from a regime in our own country. When they speak out publicly about wanting change in their country they risk their lives. Many have paid the ultimate price, and those who live abroad who want democratic change still risk their lives and cannot return to the country of their birth or their parents' birth, which they love. Some day, we hope, they will be able to do so, and be greeted by a truly democratic peace-loving Government.

10.18 am

Jo Swinson (East Dunbartonshire) (LD): I congratulate the hon. Member for Thurrock (Andrew Mackinlay) on securing the debate; as ever, he put his case forcefully and with passion and gave an excellent introduction. Various hon. Members have outlined the problems of residents of Camp Ashraf, who numbered nearly 4,000 in 2003 and, after several hundred voluntary repatriations, number in the region of 3,500 individuals now. Last year in May and July, the danger of living in Camp Ashraf was seen when there were missile attacks, which were thought to come from the Iranian side. There were disruptions to the water supply, again, which made living conditions in the camp difficult. We have heard from hon. Members today that people living in Iran trying to visit Ashraf to see relatives—something that we would take for granted in this country—have been arrested and held and are suffering goodness knows what treatment in Tehran.

The hon. Gentleman gave a long list of the threats and dangers of persecution that the individuals from the camp will face if they are sent back to Iran. It is almost two months since 23 January, when the Iraqi Government said that Camp Ashraf should be closed within two months. It is clearly an urgent and pressing matter, which is why today's debate is timely.

There has been some debate in the House; indeed, I read with interest the *Hansard* report of a debate on Iran a few weeks ago about the de-proscription of the PMOI. It seemed that there were heated views on both sides about the matter. However, the Court of Appeal has ruled that there is neither classified nor unclassified evidence showing the PMOI to have had any terrorist activity or intent, at least since 2001. The matter has been discussed also in the High Court, so whatever some Members may think about the rights and wrongs of the issue, we must accept the court ruling that it is not a terrorist organisation.

I think that the view is shared across the House that we want to see a pluralist Iran, with no persecution of the opposition and a thriving democracy. We are some way from that, but I caution against the automatic assumption that because the PMOI is not a terrorist organisation it is therefore the ideal champion of democracy. It is possible to believe that the PMOI is not a terrorist organisation, yet to retain our concerns about it.

Some who have left Camp Ashraf have voluntarily reported

"brainwashing, forced indoctrination and rough treatment by the PMOI of those who wanted to leave the camp."

Some have challenged that, saying that claims of brainwashing were spin by the Iranian authorities, but that quote comes from a House of Commons Library briefing note. Like other hon. Members, I have huge respect for the integrity of the Library staff; I would not expect them to succumb to Iranian spin. That note identifies the fact that there are genuine concerns about some of the procedures in Ashraf. We should not necessarily view the PMOI with rose-tinted spectacles.

That said, today's debate is about human rights. Regardless of their political views or beliefs, all human beings deserve their basic human rights. The individuals in Camp Ashraf are protected under the Geneva convention. They were not participants in the Iraq war; in many ways, there were caught in the crossfire. In July 2004, they were declared by the United States as being protected persons, which means that they should not be transferred to a country where they would face persecution for their political opinions.

The Geneva convention applies for one year after military operations have closed, and they have not yet closed; there are still trips within Iraq, so the military are still there in force. As a result, the US is legally responsible for the protection of those individuals, but after seeking assurances they passed that responsibility to Iraq. However, any country that has been involved in the sorry state of affairs that we have seen in Iraq must be concerned about, and bear a level of responsibility for, the protection of those individuals.

There is obvious concern that the Iraqi Government are facing pressure from Iran to return the individuals being held at Camp Ashraf. Although co-operation between the new Iraqi Government and the Iranian state might be thought to be positive for regional stability,

it should not come at the expense of human rights. Recent US moves to improve relationships with Iran—particularly and sensibly starting with the question of Afghanistan, where there is a clear area of mutual interest between the two countries—is most welcome. However, it should not drown legitimate concerns about the upholding of international law regarding the rights of those in Camp Ashraf.

Amnesty International has said that there is a grave risk of torture if those people are forced to return to Iran. Indeed, in August 2008 the Iraqi Justice Minister said:

> "If it were not for the presence of coalition forces at Ashraf, you would have seen the people of Iraq attacking and destroying Ashraf."

That does not bode well for the safety of those people in Iraq. That is why I am surprised that, so far, the Government have accepted US and Iraqi assurances on the safety of those people if they were expelled to Iran. I struggle to see how their safety can be guaranteed. As I said, the missile attacks on Ashraf in May and July 2008 are believed to have come from Iran. If Iran is prepared to launch attacks on another country, why should it not be expected to persecute those people, were they to be in Iran?

The hon. Member for Northampton, South (Mr. Binley) told us about the wide range of groups already suffering a great degree of persecution in Iran, including the Baha'i, the Christians and other religious minorities—and, indeed, other groups such as students. The hon. Member for Ribble Valley (Mr. Evans) outlined perfectly the plight of young gay men in Iran, and the horror of the torture and executions that go on there. Perhaps even worse was the relaxed attitude that the hon. Gentleman found among Iranian MPs to those shocking facts.

In that context, how can the Government be confident that if Camp Ashraf is closed and the individuals are returned to Iran, they will ever be safe? Both here and in the other place, the Government have insisted that it is not the UK's responsibility but the responsibility of the US. We have often been a mediator between the US and Iran, and we have also waxed lyrical about our special relationship with the US. I therefore suggest that it is worth using that special relationship to influence the US to take the matter seriously.

When the US decided to invade Iraq, we did not say that it was the responsibility of the US and stand back. In fact, we were shoulder to shoulder with America. If we did so then, why should we not stand shoulder to shoulder when dealing with the present problem? It is undoubtedly a thorny issue with no easy answer, but that does not mean that we can get rid of our responsibility for the outcome. A potential humanitarian catastrophe is waiting to happen, and that should concern us all, both as UK citizens and as citizens of the world.

Questions were asked on this matter on 2 March in the other place. Speaking for the Government, Lord Malloch-Brown did not give a view on whether Camp Ashraf should be closed and what should happen to the individuals there. Indeed, he seemed to say that he was satisfied that the Iraqi authorities were making sufficient efforts to protect those people. In light of the chilling remarks of the Iraqi security adviser, how on earth can the Government have the confidence to make such statements? I hope that the Minister will clearly outline what steps the Government are taking and what concrete steps they will take to ensure that "protected person" status under the Geneva convention has meaning for the 3,500 people in Ashraf.

10.27 am

Mr. David Lidington (Aylesbury) (Con): I congratulate the hon. Member for Thurrock (Andrew Mackinlay) on securing this debate. He has long developed a reputation in the House as a doughty champion of neglected causes, of which this is one. I pay tribute to his tenacity in demanding answers from whichever Ministers of whichever party have happened to be in office at the time.

The first thing that we need to do this morning is to work out the respective responsibilities of the British, American and Iraqi Governments. Crucially, are the inhabitants of Camp Ashraf protected persons under the fourth Geneva convention? My reading of the convention—I am no lawyer—is that they are protected persons and that they fall within the categories described therein. If so, they are entitled to humane treatment for as long as they live there. Without breaching the convention, they may not be transferred to another country under any circumstances if they have reason to fear persecution on account of their political opinions or their religious beliefs.

I should be grateful if the Minister were to say what is the Government's legal opinion of the status of the residents of Camp Ashraf? Are they protected persons under the Geneva convention? What has the Government's legal advice been on which country, or countries, now have legal responsibility for ensuring that the convention's provisions are properly observed? In the case of occupied territories, the convention provides that the responsibility should remain with the occupying power, or powers, for a year after the general close of military operations, and partially, thereafter, if the occupying power continues to exercise the functions of government.

I confess to no legal expertise, but that language suggests that the prime responsibility now lies with the Iraqi Government, following the transfer of sovereignty and the successful negotiation of status of forces agreements between the various coalition powers and the elected Government in Baghdad. The Iraqi Government, therefore, should be primarily responsible for ensuring that they comply with humanitarian law. Arguably, however, some enduring, residual United States legal responsibility remains, but I should have thought—but again I would welcome the Government's expert analysis—that the United Kingdom has more of a moral, than a legal, responsibility. What is happening at Ashraf, and what options are available to us and the other countries involved? My hon. Friend the Member for Northampton, South (Mr. Binley) spoke about the threatening language used by at least one spokesman for the Iraqi Government and about restrictions on normal supplies to those living in Ashraf.

It is very important that we focus this debate on Iraq's and other Governments' humanitarian and legal obligations, rather than be distracted by what we think about the PMOI and the political situation in Iran. I am happy to concur with all the hon. Members who have spoken in this debate about the Iranian regime's barbaric human rights record. Members have had the opportunity to make those criticisms in many other debates, but if

[Mr. David Lidington]

we are to understand why some senior members of the elected Iraqi Government are hostile towards the PMOI, we need to remind ourselves that the latter previously allied itself with Saddam Hussein, fought alongside his forces in the Iran-Iraq war and accepted guns, artillery and armoured vehicles from the Ba'athist regime. Those weapons were put out of use only when the United States' forces reached Ashraf, after the intervention in 2003.

My hon. Friend the Member for Northampton, South quoted President Talabani, who was very critical of the PMOI. The Kurds say that the PMOI assisted the Saddam Hussein regime in its repression of the Kurdish people of northern Iraq, especially immediately after the 1990 Gulf war. The hon. Member for East Dunbartonshire (Jo Swinson) alluded to this point. We must take seriously some of the criticisms made of how the PMOI has treated some of its own members. We need not only go the Library to find that out. Human Rights Watch, which we tend to treat with great respect when it speaks about international human rights issues, has published some very severe criticisms of the PMOI.

Andrew Mackinlay: I listened to what the hon. Member for East Dunbartonshire (Jo Swinson) said about the Library note—I shall take a look at it—but now the hon. Gentleman has mentioned it, too. The accusation that people cannot leave Ashraf is a canard—I use that word against not them but the Iranian regime. In the past eight weeks, the International Committee of the Red Cross went to Ashraf and investigated the claim, but found only evidence proving that people can, and do, leave. Lord Avebury, Lord Corbett and I challenged Human Rights Watch to come up with the evidence, but it ignored our individual letters. It has been acutely embarrassed by its repetition of this accusation and has never shown any evidence to prove the Iranian regime's accusation that people cannot leave Ashraf.

Mr. Lidington: I listen with respect to the hon. Gentleman. It has been some months since I read the published criticism from Human Rights Watch, but my memory is that, shortly after it published it, it was subjected to published criticisms from various quarters and that it then responded and stood by its original allegations. However, it would be wrong to go too far into the details of that debate.

What can be done now? We must acknowledge that about 200 or 300 people—estimates vary—have returned to Iran under the auspices of the ICRC. I think that Lord Malloch-Brown said in the Lords that the British Government had no evidence that those people had been mistreated. Some members of the PMOI—I think that the Government said that they would tend to be fairly low-level members—might be able to return to Iran. As far as the others are concerned, the British Government should be saying that the Iraqi and United States Administrations should accept, and discharge fully, their obligations under international law.

I hope that the Minister can confirm that our Government continue to make direct and active representations to the Iraqi and US Governments on this human rights obligation. Above all, we must stand by Amnesty International's recommendation that, before a final decision to remove someone from Ashraf, an independent, individual assessment should be made of the risk of serious violations of that individual's human rights and that, under no circumstances, should somebody be removed to another country if they have reason to fear that their human rights will be abused.

10.38 am

The Minister of State, Foreign and Commonwealth Office (Bill Rammell): I am pleased to respond to my hon. Friend the Member for Thurrock (Andrew Mackinlay), whom I congratulate on securing this debate. He and a number of his colleagues have pursued this issue with passion and conviction, and I genuinely congratulate them on doing so. I am aware that several hon. Members and noble Lords have expressed considerable, regular and diligent interest in Camp Ashraf and its residents. On at least two occasions over the past six months I have met delegations of Members to discuss the matter and to listen to their concerns.

In considering the situation in Camp Ashraf, we should not forget the considerable progress that Iraq has made as a result of the improving security situation, to which my hon. Friend referred. It has transformed the situation out of all recognition from that which existed even 15 to 18 months ago, and national reconciliation is today a far brighter prospect than it has been for a number of years. I gave media interviews on the day of the recent local elections in Iraq, and I telephoned our ambassador, who described to me the feelings and emotions on the streets of Baghdad, Basra and elsewhere. He spoke of the almost festive atmosphere in the country as Iraqis rightly went about asserting their democratic rights.

I visited Iraq last year, and it struck me that the country was slowly, but evidently, getting back on its feet. I should like to take the opportunity to congratulate Prime Minister al-Maliki and the people of Iraq on their progress towards achieving a more stable country in which people go about their daily lives in safety.

The Iraqi-led Operation Charge of the Knights in Basra in March 2008 did a great deal to improve the security situation. In downtown Basra, where people were once terrified to leave their homes for fear of being attacked or caught up in an explosion, the streets are bustling once more, with children on their way to and from school and local Basrawis back at work. That trend is positive and the Iraqi Government firmly believe that all Iraqis deserve to live free from the threat of violence or intimidation.

As a result of improvements to security, coalition troops have handed back responsibility for security to the Iraqis. That is an important point that underlies this debate. We have fully supported that process because we have increasing confidence in the ability of the Iraqi security forces to maintain that security, while respecting the rights of the people.

The Government of Iraq have signalled their commitment to developing both the culture and the institutions required to embed within Government, the security agencies and society as a whole a fundamental respect for human rights. This debate has provided an opportunity for hon. Members to express their concerns, and for me to clarify the Government's understanding of the complex legal position of the residents of Camp Ashraf.

Before I address those points directly, let me say that I very much share hon. Members' concerns about the situation facing the ordinary people of Iran. There is a palpable lack of democracy there. On the nuclear issue, there is a complete unwillingness to respond to the legitimate concerns of the international community and to deal with the International Atomic Energy Agency. There is a lack of respect for human rights, whether it be for Christians or Baha'is. Iran is one of the largest users of the death penalty anywhere in the world. Of particular concern is the continued execution of minors under the age of 18 despite a recent Iraqi ruling that such a practice should not take place. I find it staggering that a draft mandatory death penalty for the so-called crime of apostasy is before the Majlis. If anything underlines the degree of concern about human rights in Iran, that is very much it.

Notwithstanding all of that, it is right that we say to the Government of Iran and their people that we want a legitimate relationship, and that we want the regime to engage with the international community. I welcome the recent decision of the US Administration to make that very clear. I hope that we will see a response to that.

Many hon. Members, including my hon. Friends, have raised a number of questions to which I will try to respond. Before I do so, it may be useful for me to outline, in brief, the history of the camp to date. The People's Mujahedeen Organisation of Iran—or Mujaheddin-e-Khalq—was founded in Iran in 1965 with the broad aim of replacing the Shah and the political situation in which he dominated.

In its first years, the MEK's main focus was on organisational and ideological work, but in the early 1970s, it carried out violent attacks against the interests of the Shah, his Government and their western allies. After the February 1979 revolution, the MEK continued to condone violence. In the course of 1980 and 1981, the MEK's relationship with the authorities became increasingly hostile and again violent.

Having fled to Paris in 1981, the exiled MEK moved to Iraq and Camp Ashraf in June 1986. The Iraqi regime under Saddam provided land for bases and helped equip the MEK's armed force in Iraq—the National Liberation Army. MEK forces fought on the Iraqi side during the Iran-Iraq war. They claimed responsibility for a series of attacks during the 1990s and a spate of attacks in the early part of 2001 against numerous Iranian targets, both in Iran and around the world. Following the invasion of Iraq in 2003, the MEK turned over its arms to US forces in Camp Ashraf.

The legal position was a key issue for the hon. Member for Aylesbury (Mr. Lidington). As I understand it, the US Government's position is that members of the MEK in Camp Ashraf are to be treated as protected persons for the purposes of the fourth Geneva convention. The UK position has been that as the fourth Geneva convention ceased to apply in Iraq after 28 June 2004, the designation of "protected persons" under that particular convention could no longer be applicable as 28 June 2004 signified the end of the occupation. However, that does not mean that the residents in the camp are entitled to no protection under Iraqi or international law.

Our view is that we stopped being the occupiers under the Geneva convention after 28 June 2004. Our obligations as occupiers continued for one year only after the occupation. I mention that because the hon. Gentleman raised that point directly with me. The year starts after 28 June 2004.

Mr. Binley: Our permanent membership of the UN Security Council has an impact on our responsibilities for upholding international humanitarian law. Therefore, are there not responsibilities in that respect?

Bill Rammell: I will come on to how we are trying to carry out our responsibilities notwithstanding the fact that we are now dealing with a sovereign state and a democratic country that has its own rights and responsibilities. Inevitably, in those circumstances, our relationship will be different from the one in which we are the occupier.

It has always been clear that, with the expiry at the end of 2008 of the UN Security Council resolution mandate for the coalition forces in Iraq, responsibility for the security and administration of the camp and its residents would have to pass from the US to the Government of Iraq. That transfer was carried out in phases and was completed on 1 January 2009. At that time, we understand that some 3,000 members of the MEK were present at the camp. Throughout its discussions with the Government of Iraq on the modalities of the transfer, the US rightly sought assurances that the Camp Ashraf residents would continue to be treated humanely, that their fundamental human rights would be maintained, and that they would be treated in accordance with the constitution of Iraq, in accordance with Iraqi law, and in accordance with Iraq's international obligations. Such assurances were readily provided by the Iraqi authorities to the satisfaction of the US authorities.

Moreover, the Iraqi authorities agreed to allow access to the camp by appropriate international organisations to assist the camp residents in securing a safe future. In that regard, we are comforted in the knowledge that the International Committee of the Red Cross continues to visit the camp on a regular basis. It follows developments closely and we very much welcome its involvement.

In parallel, the Iraqi Ministry of Human Rights regularly visits the camp and has given assurances to a representative body of the residents. Plans were made to conduct a survey, through interviews with residents of the camp, in an effort to establish whether they wished to be voluntarily repatriated to Iran, or to seek residency in a third country. That survey would also enable the Ministry of Human Rights to verify the details of those currently residing in the camp.

My hon. Friend the Member for Thurrock contacted my office last week concerning recent developments at the camp. I was able to inform him, through our Iraq group at the Foreign and Commonwealth Office, that we understood that the MEK had seized back a building that had been designated for the purpose of those interviews. We are unclear as to their motives for taking that action. We are also aware that the Iraqi security forces had taken measures to restrict visitors into the camp out of concern that they would not be permitted by the MEK to leave.

Andrew Mackinlay: The Minister is trespassing on the question of visitors. In the past few weeks, two UK citizens wanted to visit loved ones. One of them, Mr. Tabrizi, who is known to us in the parliamentary campaign committee, was turned away. There was no question of him not being able to come out again. He wanted to see

[Andrew Mackinlay]

his loved ones and relatives and he was prevented from doing so. That is the pattern. When the Minister goes back to the Foreign Office, I should be grateful if he could look into the matter. It reinforces my point that there should be an official visit from the United Kingdom to Camp Ashraf to check out the issues of property being taken back, the census and visits to loved ones, and whether people can leave, which are the things that I want tested.

Bill Rammell: If my hon. Friend provides the details to my office, I will ensure that I look into that specific case. I will come to his suggestion. As he and I have discussed, I am minded to do something about it.

Notwithstanding the action, we believe that residents remain free to meet family members and other visitors outside the camp. The Red Cross is rightly monitoring such visits, and we are told that UN officials have also visited the camp as recently as 19 March this year. All of that is welcome. However, the British embassy in Baghdad is pursuing the possibility of a visit by a consular official to Camp Ashraf to confirm whether any of its residents are entitled to UK consular assistance. Importantly, that will also allow us to remind the Iraqi Government further of their earlier assurances regarding Camp Ashraf residents and of the amount of interest in the issue within the United Kingdom.

I am not aware of the statement by Dr. al-Rubaie. Nevertheless, I can say that the Iraqi Government have repeatedly maintained assurances to respect the human rights of Camp Ashraf residents. We shall certainly remind them of that obligation as we pursue the consular visit.

The hon. Member for East Dunbartonshire (Jo Swinson) mentioned de-proscription. There have been two court cases: the UK court case in respect of de-proscription of the MEK and the decision in the European Court of First Instance. In both cases, this Government—rightly, in my view, whatever opinion we might have of the MEK—sought to uphold the rule of law; certainly in the European Union case, we were instrumental in ensuring that.

However, I agree with the hon. Lady that upholding de-proscription is not the same as saying that the MEK best represents the interests and views of the Iranian people. We certainly have reservations about the MEK's assertion that it represents a democratic opposition in exile. We see no evidence of popular support for the MEK in Iran, partly because of its responsibility for terrorist attacks resulting in the deaths of many Iranian citizens and partly because it fought alongside Iraqi forces against Iran in the Iran-Iraq war.

Nevertheless—this is the important point that cuts to the heart of the concerns expressed—the Government of Iraq have stated that no residents of Camp Ashraf will be forcibly transferred to a country where they have reason to fear persecution based on their political opinions or religious beliefs, or where there are substantial grounds for believing that they would be tortured. We are satisfied that the Iraqi Government are working with international organisations, including the United Nations High Commissioner for Refugees, to ensure a humanitarian solution that will allow camp residents either to return home or to be resettled, if they choose, in third countries. We will do everything in our power, consistent with the recognition that Iraq is now a sovereign democratic state, to encourage that process.

I congratulate hon. Members on raising these legitimate concerns. I hope that my responses have given some reassurance.

10.54 am

Sitting suspended.

Hajj Pilgrims (UK Tour Operators)

11 am

Mr. Roger Godsiff (Birmingham, Sparkbrook and Small Heath) (Lab): I am grateful to have the opportunity to raise this issue, which is of particular importance to many Muslims in my constituency. I extend a warm welcome to my good friend, my hon. Friend the Member for Watford (Claire Ward), who has been asked by the Government to respond to the debate.

The Hajj is a pilgrimage to Mecca in Saudi Arabia. It is the largest annual pilgrimage in the world. Making the pilgrimage—the Hajj—is the fifth pillar of Islam, and an obligation rests on all Muslims to carry out that pilgrimage at least once in their lifetime, providing that they are fit enough to do so and can afford to. For Muslims, the Hajj is a demonstration of the solidarity of the Muslim people. It takes place over a four-day period in late November or December, depending on the Islamic calendar.

Every year, more than 150,000 British Muslim pilgrims travel to Saudi Arabia as part of the 1.7 million Muslims who go there from all over the world. The Hajj pilgrimage is greatly looked forward to in the Muslim world and should be a time of enjoyment and self-fulfilment. However, for some British Muslims, the experience turns into an expensive disaster due to the activities of rogue travel operators, who either fraudulently take money from clients and disappear, or promise a five-star package pilgrimage that turns out to be nothing of the kind. Sadly, many of the people who have been ripped off by rogue travel agencies come from my constituency.

For example, in November 2008, one of my constituents handed over a cheque for £4,500 to the owner of Qibla travel. The cheque was cashed and my constituent, who was paying for his mother and father to go on the Hajj, was told that they would fly out on a specific flight. Just before they were due to leave, they were told that the owner of Qibla travel had disappeared with the money and passports, which he said he needed in order to get the visa put in them. No flight existed and no visa applications were made. Although that incident has been the subject of a police investigation—I am pleased to say that the passports have been returned—it is not an isolated incident. Another example is that of a company that was paid £10,000 by a family to make arrangements for them to go on the Hajj pilgrimage. Again, the flights and bookings never materialised.

The Foreign Office has set up a special unit to deal with British pilgrims travelling to Saudi Arabia for the Hajj festival, which is greatly appreciated by the Muslim community. It has worked with organisations such as the Association of British Hujjaj (Pilgrims) UK, whose general secretary, Khalid Pervez, operates from offices in my constituency. Advice is offered to would-be pilgrims by the Foreign Office, by the association and by officers from Birmingham city council's trading standards department, who have been particularly helpful in giving advice to pilgrims and in trying to assist victims of rogue travel operators.

The problem, however, is that many people who go on the Hajj pilgrimage feel more comfortable dealing with travel agencies run by members of their own community, whom they believe, as Muslims, will understand more clearly what the pilgrimage is about and what is required. The average cost of a pilgrimage is £2,500 per person, so there is a strong inclination to look for the cheapest deal on offer.

The Package Travel Regulations 1992 oblige any operator who offers a package tour combined with air travel to have an air traffic organiser's licence—ATOL. That provides some protection so that passengers whose travel agent goes into liquidation or defaults on its obligations can be refunded or flown home. The Association of British Travel Agents—ABTA—is a trade organisation. Although it offers a degree of protection for customers and travel agents that are members of ABTA should they go bust, there is no obligation on travel agents to be a member of that organisation.

Many of the clients who seek to go on the Hajj pilgrimage are not aware of the Package Travel Regulations and do not know the rules and regulations regarding air traffic organiser's licences. They are unaware of the status of ABTA. Furthermore, if the accommodation that is allegedly being booked is separate from a scheduled flight, there is ambiguity as to whether the flight and separate accommodation are covered by ATOL. The loophole allows rogue travel operators not only to default in terms of promised scheduled flights, but also to give inflated promises about the quality of the accommodation that will be provided during the stay in Saudi Arabia. The pilgrims are in a position to complain only once they return to the United Kingdom, but by then, the rogue travel operator has often ceased trading or disappeared.

A feeling exists within the Muslim community that, although the Foreign Office is trying to be helpful in looking after the interests of Hajj pilgrims and liaising with the Saudi Arabian Government to ensure that British Muslims are properly treated while in that county, the Department for Business, Enterprise and Regulatory Reform has a "soft" approach to the problem.

The Association of British Hujjaj (Pilgrims) UK has made clear its belief that all travel agents should be members of ABTA and should be required to provide a bond to that organisation to be used as compensation for travellers who are given inferior accommodation or arrangements to those promised when the booking was made. It is aware that a large number of small tour operators in Birmingham—and in other parts of the country, such as Watford—might have difficulty in meeting the stringent requirements laid down by ABTA. However, it believes that if such stringent regulations result in a number of small tour operators going out of business, it will be a price worth paying to ensure that some of the most blatant abuses that pilgrims have suffered are no longer tolerated. If such abuses do happen, compensation could be paid and the operator can be deregistered by ABTA, which, in effect, would mean that it was forced out of business. Although the voluntary approach of encouraging tour operators and travel agents to become members of ABTA has resulted in more Hajj tour operators registering, there are still many who have not done so. Rogue elements who intend to deceive trusting clients will obviously not seek to register.

Through the consumer affairs Minister, the Government have made it clear that they want to help pilgrims avoid booking with rogue travel agents. They have said that pilgrims should book with

"a member of ABTA or other recognised trade organisation."

However, the rip-off continues and for some, a once-in-a-lifetime experience is turned into a huge, expensive

[Mr. Roger Godsiff]

disappointment. The DBERR website claims that it leads the better regulation agenda; I contend that this area needs better regulation. The Muslim community in this country would strongly welcome a Government commitment to considering what further regulation and legislation could be enacted to address the problem of unscrupulous travel agents.

Some people might say that individual would-be pilgrims should take responsibility for whom they booked with, and that further regulation would be another step towards a nanny state, but I would remind them that the Government commendably introduced a scheme in response to widespread concern within the Muslim community about rogue immigration advisers who were misleading people about immigration matters and ripping them off. The Immigration and Asylum Act 1999 forced anyone who was taking money for giving immigration advice to be registered with the newly created Immigration Services Commission. Section 91 of the Act made it a criminal offence, punishable by a fine and/or imprisonment, to provide immigration advice or services in contravention of the scheme. The Government were then able to recognise that the growing Muslim population in the UK was vulnerable to being ripped off by rogue immigration advisers, and took welcome steps to address that problem, so why can this Government not recognise the vulnerability of the Muslim community to rogue travel agents, and take steps to strengthen the regulations and laws?

The Under-Secretary of State for Business, Enterprise and Regulatory Reform, my hon. Friend the Member for Dudley, South (Ian Pearson), who should have replied to the debate, has more pressing affairs of state to attend to today. However, this short debate will be enhanced by his absence, because his most intelligent, charming and delightful replacement, my hon. Friend the Member for Watford, knows this issue well, as she, too, has a sizeable Muslim community in her constituency. I therefore hope that she will take this unusual opportunity to liberate herself of the departmental brief that she has been given and to speak from the heart about the problems being caused in her Muslim community by rogue travel agents. I hope that she will agree with—or perhaps be persuaded or even enticed by—me and the Association of British Hujjaj (Pilgrims) UK regarding how this problem should be addressed. If she consigned the departmental position to the waste bin, abandoned her brief and bravely spoke out, she would rightly earn the thanks and continued support of the Muslim community in Watford and the rest of the country.

11.13 am

Vice-Chamberlain of Her Majesty's Household (Claire Ward): I congratulate my hon. Friend the Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) on securing the debate and on taking this opportunity to raise awareness in the House about problems within this sector. As he has said, I know about the issue from my constituency work. I know that he has raised concerns about the matter in the past and that he fights hard for his constituents—not only his Muslim constituents, as in this case, but across the board.

I am grateful to have this opportunity to outline the action that the Government have taken in the two years since they learned of the problems being experienced by Hajj pilgrims. The Government take this matter very seriously, and we have been saddened to learn of the suffering and inconvenience experienced by Hajj pilgrims at the hands of rogue tour operators in the UK. My hon. Friend has mentioned one incident concerning Qibla travel, which is, as he has said, under police investigation—and rightly so. We hope that there will be a good outcome for most of his constituents who have suffered in that case.

The problem is particularly pernicious given that the Hajj and Umrah are a religious obligation on Muslims, for many of whom those journeys are the trip of a lifetime and cost a considerable amount of money. In the past two years, my hon. Friend the Minister for Trade, Development and Consumer Affairs and his officials have been working with colleagues from other Departments and the trading standards service with a view to encouraging better practice in the Hajj travel industry. Importantly, they have also been raising pilgrims' awareness about what they should expect of package organisers, about their rights of redress under the law and about who to complain to if things go wrong. My hon. Friend the Member for Birmingham, Sparkbrook and Small Heath is right to express concern that until now the Muslim community has not generally been aware of its rights or about where to go to express concerns.

The Government's view is that problems in the sector are not due to a lack of regulation, as Hajj trip organisers are as liable to regulation as any other package organiser and Hajj pilgrims have exactly the same rights as anyone else going on a package trip. In many cases, people who have used organisers' services have not understood the true extent of their rights. Under package travel regulations, tour operators must ensure that all descriptions on brochures and internet sites are accurate, that the customer is given information about passports, visas and health and security issues, that the customer is informed in good time about significant changes to the trip, such as changes to flight details or itineraries, and that the customer receives a written copy of the terms of the contract for the trip. The operator must also be able to show that it has in place measures for the protection of consumer payments. In these cases, protection would be in the form of an air travel organiser's licence, which ensures that customer pre-payments are protected and that customers can be repatriated if the tour operator suffers financial collapse. Local authority trading standards departments have day-to-day enforcement responsibilities for the regulations, and the ATOL system is run by the Civil Aviation Authority.

Enforcement activity is generally driven by consumer complaints. Previously, it seemed that only a few of the Hajj pilgrims who had suffered at the hands of rogue operators were informing the relevant authorities. I would be interested to hear how many cases were brought to my hon. Friend longer ago and whether people believed that they simply had to put up with what had happened and thought that there was nowhere for them to go. Clearly, many people now know to go their Member of Parliament or to trading standards. It was clear, previously, that the key to improving the situation lay with raising consumers' awareness about their rights and about what to do when things go wrong.

For two years in a row, my hon. Friend the Minister for Trade, Development and Consumer Affairs has written to hon. Members asking them to contact their

local mosques and Muslim community groups. He has also issued a number of press releases, which have received good coverage in Muslim national and regional press. Trading standards departments have also issued warnings to the public about the risk from rogue tour operators. The Department for Business, Enterprise and Regulatory Reform has also produced two well-received information leaflets—one for pilgrims thinking of booking a Hajj or Umrah trip, and one for Hajj travel organisers. If my hon. Friend the hon. Member for Birmingham, Sparkbrook and Small Heath would like access to more such leaflets to provide his constituents with information, officials from the Department will assist with that.

Mr. Godsiff: I am grateful for that offer, but I am not short of leaflets. Will my hon. Friend clarify something for me? If a travel agent books a scheduled flight for a customer who wants to go to Hajj and books the accommodation separately, is it covered by ATOL regulations?

Claire Ward: If a travel agent books a package that includes a scheduled flight, it must be an ATOL member. In that instance, therefore, the consumer—the constituent perhaps in my hon. Friend's case—would be covered by the protections offered by ATOL.

As my hon. Friend has said, the Hajj period is slightly flexible and tends to be around the end of the year. Officials from DBERR and the Civil Aviation Authority attended several regional events organised by pilgrim groups to talk about pilgrims' rights and protection. The cross-Government group recently met with the two main groups representing UK Hajj pilgrims—the Association of British Hujjaj and the Council of British Hajis—to take their views on Government action this year. Both those organisations do valuable work to help pilgrims to enjoy fulfilling and safe trips. The Minister for Trade, Development and Consumer Affairs will shortly be writing to all UK mosques and other Muslim organisations to continue to raise awareness of the law both for pilgrims and the smaller Hajj travel organisers. We will also look at the best ways of raising awareness in the weeks preceding Hajj.

Trading standards departments have also been involved in raising awareness, and Birmingham trading standards has been particularly active in issuing press releases and talking to local pilgrims' groups and operators. There are signs that the overall message is getting through. The numerous complaints received last year by Luton trading standards after the collapse of Go4 Hajj seem to indicate that our work to publicise the issue has had some impact on members of the Muslim community.

As well as raising the awareness of pilgrims, the Government have begun to engage with the Hajj travel industry. There are many good operators, but there is clearly an element that is disorganised and unprofessional. This is not an easy business to be in. There are many unpredictable elements to the relatively complicated arrangements for Hajj in Saudi, but that does not explain the fact that, in many cases, pilgrims are simply misled about the nature, quality and facilities of the trip that they have bought—usually for several thousands of pounds. Last year the Minister for Trade, Development and Consumer Affairs, hosted a summit for Hajj travel organisers. That was held to deliver our message about their responsibilities and to hear their views on how they believe the sector can improve its reputation and achieve greater consumer confidence.

Since that event, the Civil Aviation Authority has reported that it has received an increasing number of applications for air travel organisers' licences from Hajj trip organisers. Many licences have now been granted, which extends the financial protection of pilgrims travelling to Hajj. My hon. Friend the Member for Birmingham, Sparkbrook and Small Heath asked whether the travel operators should be members of the Association of British Travel Agents. There is no legal requirement for them to be a member of a trade association, which is essentially what ABTA is. However, they should be members of ABTA, and membership is encouraged by the industry. In essence, the bonding that ABTA provides would not necessarily improve the quality of service or compensate for the poor services that are perhaps provided by some travel operators. However, as I have stated, membership of ATOL would give some financial protection where scheduled flights are part of an overall package.

As I mentioned, Birmingham trading standards has been actively engaged in discussions with local travel operators and, last week, Tower Hamlets trading standards invited local operators to an awareness-raising seminar. There is a greater awareness, and trading standards are taking up the issue and promoting it within communities. This year, we are pressing ahead with engagement with the industry and hope to explore the possibility of achieving a degree of effective self-regulation. We hope that the responsible tour operators can help to banish the poor image and the poor operators from the sector by setting out for pilgrims their commitment to proper behaviour and standards.

Over the past year, we have also forged links with the Saudi embassy in relation to the issue. The embassy is responsible for issuing entry visas to UK Hajj pilgrims. Visas are only available via certain Saudi approved Hajj tour operators and travel agents. The Saudi embassy has agreed to ensure that the list contains only ATOL registered companies in the future. I hope, again, that my hon. Friend sees that as a significant step forward in providing some protection to his constituents, as well as to my constituents and others throughout the country.

I hope that I have shown that the Government take the issue seriously. We appreciate that some UK pilgrims continued to be subject to unacceptable behaviour at the Hajj last year and that that is a continued cause for concern. There is no quick answer to that, but we have seen some signs of progress. In initiating the debate, my hon. Friend has yet again put the issue on the agenda and ensured that, where it is relevant, there is an opportunity for trading standards across the country to promote the importance of protection for Hajj pilgrims. He has also ensured that the issue of an improvement in the service and quality of the tour operators has been raised.

I am sure that all the parties concerned are hopeful that the various initiatives in which we are involved will help us to reach the point where the Hajj becomes a memorable and, as far as possible, trouble-free occasion for all. That is certainly something that my hon. Friend would like for his constituents, and I can assure him that it is something that I would like for mine—in fact, the Government wish to ensure that that is the case for all those who wish to take part in that important event within the Muslim calendar.

11.26 am

Sitting suspended.

Building Colleges for the Future

2.30 pm

Dr. John Pugh (Southport) (LD) *rose—*

Several hon. Members *rose—*

Dr. Pugh: For some reason this debate seems to be of great interest to many people.

My object in this debate is to be constructive. If the object were to slate the Government, castigate the Learning and Skills Council or embarrass the Minister, it would, frankly, be like shooting fish in a barrel, because the facts are extraordinarily stark: at 79 colleges, fully costed projects with planning permission are now stuck; only eight have been given the go-ahead, and 71 are in limbo; a further 65 colleges await the results of deliberations; £5.7 billion has been promised but only £2.3 billion is actually available; and there are enormous costs because of delays. According to the BBC, the situation is costing colleges across the country £151 million, and there are some classic examples of what are, frankly, awful problems.

The hon. Member for Barnsley, East and Mexborough (Jeff Ennis) has drawn to my attention to the situation at Barnsley college, where builders have just left the site. The college is almost in a state of insolvency, and is severely exposed financially and in every other way. It is a visible example of a failing system.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): The hon. Gentleman is well aware of Blackpool's regeneration plans, so he will also be aware that when Blackpool did not get the resort casino that it wanted, it looked to regeneration in other ways. The relocation of the college site is key to Blackpool's regeneration. Does he agree that plans such as that one, which are strategically important, should be at the top of the LSC's priorities?

Dr. Pugh: I do agree, and I cite the example of my own college, where £2 million has already been invested by the college with a full application in principle. It is in a terrible situation because it does not know whether to go ahead with what it planned to do, or to restore existing and wholly inadequate buildings.

However, the object of the debate is not to lay blame. That is far too easy a task. The object is to analyse where we are now and to hear how the problems will be solved, particularly the latter. I hope that the Minister will use all his time to do the latter. We do not want to hear him read out the achievements of the scheme, thereby taking precious minutes away from explaining what will be done to get us out of this pickle. Therefore, to save him a bit of time, I shall read out some of the achievements of the scheme.

A lot of money—£2.9 billion—has been promised. According to the press release from the Department for Innovation, Universities and Skills, a work force of approximately 10,000 has been employed on college sites in 2008 and 2009, and one in 20 of the work force are apprentices. Much good and worthy stuff has been achieved.

I am sad to say that with all the talk about apprentices—the press release came out on a propitious day—in the industrial press, when the 10,000 construction jobs were mentioned, there was an announcement that contractors on the projects were ordered to cut prices or lose jobs.

So that is where we are. We are in a desperate situation, and we need to concentrate on solutions. A review is not a solution. The Labour party seems to have a succession of grandees lined up for occasions such as this, rather like cabs at a taxi rank. They are scheduled to appear when things go wrong and to conduct a review, but that would be wholly inappropriate in this case, such is the seriousness of the situation. It would be like an AA man going to someone who had broken down on the motorway and giving them a book on the history of motoring. That is not what is required.

Mr. David Laws (Yeovil) (LD): I congratulate my hon. Friend on picking such an important topic for this debate. Before he moves on, as he rightly will, to the solutions to the problem, will he acknowledge that the figures so far published by the LSC and the Government actually understate the scale of the crisis? They exclude colleges such as Yeovil college in my constituency, which has been liaising with the LSC about a scheme for a long time. It has not yet reached the stage where it is captured in the Government's statistics, but a great deal of public money has been invested in the consultants who are necessary before application in principle and in detail can be submitted.

Dr. Pugh: I agree with and endorse what my hon. Friend says. However, he said that I would move on to the solutions. Oh that we had solutions. They are not at all apparent or obvious at present.

What we do not want is Ministers expressing sympathy or joining in to dish out blame. That has happened so far in public and private discussions on the matter. After all, the LSC is a Government quango. It does not spend billions without the Government's knowing, monitoring or checking what is going on—at least one hopes not. The board members are not sent off like little lads with pocket money to spend a few billion here and there. Someone—possibly not the Minister, who may not be to blame—watched this mess evolve. They clocked the agreements in principle, they watched the progress through the various stages of the various schemes, they saw what sums were being committed—that is apparent from the freedom of information requests made by Conservative Front-Bench Members—they knew all along what was in the kitty, they knew what was promised, and, presumably, they had some numeracy skills. The Minister cannot simply say, "Me, too. I, too, deplore the situation", because if he does not have something to answer for, his Department does.

I acknowledge that some enthusiastic salesmen have been involved in the scheme. That was certainly true across the piece and in many parts of the country. There is evidence that people have talked up schemes. They said to schools, "You don't want to do this, you want to do more. You don't want simply to restore that building. You want to knock it down and build a completely new one." They raised hopes and ambitions, and encouraged demolition and rebuild rather than restoration and repair, rather like sub-prime mortgage brokers talking someone into borrowing more than they actually need.

Julia Goldsworthy (Falmouth and Camborne) (LD): Does my hon. Friend agree that the experiences of my local college, Cornwall college, are probably matched in other areas of the country? It has several sites but only a

relatively small number were desperately in need of improvement. However, it was encouraged by the LSC fully to review its entire site. It was not asked to prioritise. It was asked what its blue-skies thinking would be, and the result was a much more expensive bid.

Dr. Pugh: I agree with my hon. Friend. There has been a great deal of blue-skies thinking. In my constituency, King George V college was persuaded to do more than it initially thought that it wanted to do—in fact, more than some of the staff and pupils wanted it to do. It was told that money was available and that it would be a better deal and a better long-term project.

Whatever happened, there is an audit trail that leads directly to the Department as well as to the LSC.

Paul Holmes (Chesterfield) (LD): The Government must have seen this coming. They must have seen the problems developing, because exactly the same experience that we just heard of in Cornwall happened in Chesterfield. In autumn 2007, the college applied in principle for improvement and a £37 million partial rebuild. In 2008, the local area director from the LSC said to the principal, "You are not being ambitious enough. You will fall behind West Nottinghamshire college, which is going for a complete rebuild"—although the complete rebuild at West Nottinghamshire, which was due to start on Monday, has been stopped. The LSC encouraged Chesterfield college to go for a £107 million complete rebuild. It now has no idea whether anything at all will happen, and West Nottinghamshire college has already spent £7.5 million on building work that was due to start on Monday, but which has not started at all.

Dr. Pugh: That situation is entirely replicated at KGV college in my constituency. It thought that work would start in February, but now it does not know whether it will start at all.

The Department cannot simply blame or dump on the LSC. We do not need to be told, as we were the other day in oral questions, that this incompetent quango—the LSC—will soon be replaced by a less obviously incompetent quango, the one to come. I genuinely would like to know who is actually on the LSC. Members can replicate this process for themselves: if they go to the LSC website to try to find out who, apart from the chief executive, belongs to it—the list of members and so on—they will find it extraordinarily difficult to drill into the website to get any names. I have a horrible suspicion that some of the same people may well appear on the successor body that is still to come.

Colleges do not need this. They do not need the Department to walk away from the problem, and they do not need a review as such. They need concrete and definite answers. They need to know whether the builders are ready, and when they can start. If not now, when? If that is uncertain, when will they know? It is a fair question. If a project has been agreed but is now deemed unaffordable, because some schemes were the result of blue-skies thinking and are probably not affordable, should the colleges resubmit them tailored to their needs? If so, what are the headline figures to which they will need to work, and what is the time scale? The time scale is very important. If a project has been agreed simply in principle, what chance does it have of being done? If completion is in doubt, should the college consider re-design or re-submission? None of those questions is answered in any shape or form for the colleges.

If an appreciable expense has been incurred—the figure of £150 million across the country has been put forward—and the project has been aborted, are any costs recoverable, likely to be reimbursed by the Department or legally pursuable through the courts? Colleges need real-time answers to real-time questions, and they need them quickly; they do not need reviews.

Anne Milton (Guildford) (Con): Does the hon. Gentleman agree that the clock is ticking for many colleges? Guildford college in my constituency has spent millions on the planning process, has planning permission and widespread local support and offers a wide range of vocational courses. However, its planning permission will expire in three years' time, so we do not need a review; we need quick answers for the colleges that have invested such large sums of money.

Dr. Pugh: We can be legitimately sceptical about the amount of building work that has taken place, particularly if we read the Government's press release, which uses "estimated" all the time. Members will know that many places are on the cusp of building, and in Barnsley building has started and been stopped.

Mr. Andrew Smith (Oxford, East) (Lab): I congratulate the hon. Gentleman on calling this very important debate. May I add Oxford and Cherwell Valley college and Ruskin college in my constituency to the list of those that want positive news as quickly as possible? To do the constructive things that he talked about—when he eventually got round to his constructive points—will it not be necessary to raise the overall ceiling on capital allocation? The Conservatives are clearly not going to support that, but it would be entirely consistent with the contra-cyclical measures that are needed to increase public expenditure and combat the recession. It would be especially valuable, given the training and improvement in skills that those colleges provide, and the history of under-investment in what has been for far too long the Cinderella area of education.

Dr. Pugh: The right hon. Gentleman makes a fair point, the intellectual coherence of which is in no doubt whatever.

I want to make the basic point, however, that, on building sites throughout the land, one might wait for cement, for subcontractors or for the weather to improve, but only in modern Britain does one need to wait for Sir Andrew Foster to complete his review before one goes any further. If we do wait a year or so, the situation will not be uncomplicated, because some plans will be subsumed under Building Schools for the Future, and the financial arrangements may be different. They may be private finance initiative arrangements, rather than the current capital approval arrangements, and another tale is attached to that.

I have had a foretaste of the process, because a few years ago a similar thing happened with another quango, the North West Development Agency, which had boldly gone down the route of agreeing things in principle, getting other people to produce matched funding and handing out schemes with largesse. Then, when somebody

[Dr. Pugh]

totted up how much money was in the kitty, the result was similar to that with the LSC. The agency went into a bunker, did not answer queries and simply did not know what had happened. It was a dreadful funk that took some time to sort out, and I genuinely struggle to believe that democratically elected bodies, transparent as they are, could do worse. The Minister is democratically elected, so perhaps he can tell us.

Several hon. Members *rose—*

Mr. Joe Benton (in the Chair): Order. Before I call the next speaker, I must note that quite a number of right hon. and hon. Members wish to speak. I have no control over time but will do my very best, so I propose to commence the winding-up speeches at half-past 3. I ask Members to be as brief as possible.

2.44 pm

Keith Hill (Streatham) (Lab): Thank you, Mr. Benton. I promise to speak for seven or eight minutes.

I thank the hon. Member for Southport (Dr. Pugh) for his initiative in securing this timely debate, which I approach from two angles: first, as a member of the Public Accounts Committee, which received a positive report from the National Audit Office on the Building Colleges for the Future programme—and, I have to say, an even more upbeat account of its prospects from civil servants at a hearing in mid-November, which made the moratorium on new schemes announced just a few weeks later all the more surprising; and secondly, and more importantly, as a local MP with two campuses of Lambeth college in my constituency and, now, a major question mark over the future of the proposed new technology centre in Brixton.

The National Audit Office is quite right to be positive about the Building Colleges for the Future programme. So far, it has been one of the great success stories of this Labour Government. In 1997, there was no capital budget at all for further education colleges. Between 1997-98 and 2006-07, more than £2 billion was invested in modernising further education facilities, and a further £2.3 billion will be invested in capital projects in the sector in the current spending round up to 2010. In other words, by the end of the period, almost 700 projects in 330 colleges will have been funded by the programme. That is a remarkable achievement.

In Lambeth in my constituency, we have also been beneficiaries, with the excellent Clapham sixth-form centre, costing £21 million, on target and due for completion in May. However, the second phase of the college's property strategy was the state-of-the-art technology centre at the heart of Brixton. The new centre—a marvellous design, by the way—would have housed world-class construction, engineering, electronics, media and computer-aided design facilities, and would have replaced the current provision that is housed in poor premises in Vauxhall and cannot cope with the demand for the employment skills that the college offers. The centre has been designed to meet a wide range of needs in the Government's 14-to-19 and adult skills strategies.

Lambeth college has developed the centre in consultation with the local authority, the relevant sector skills councils, and major construction and engineering employers. It would have offered a large vocational skills training centre at the heart of Lambeth, in curriculum areas that are crucial to the regeneration of the local and regional economy; it would have directly addressed Lambeth's disproportionate number of residents with no qualifications and its large number of those who are not in education, employment or training; it would have enabled stronger partnerships to develop with local secondary schools to increase delivery of engineering diplomas; and it would have encouraged growth in non-LSC-funded student numbers, because it would have provided a modern, high-quality and centrally located facility, attractive to employers, sector skills councils, higher education institutions and fee-paying students. That in turn would have helped the college's bottom line and enabled it to focus even more resources on the front line.

As a result of January's announcement of the LSC capital review, it appears that that wonderful and transformational opportunity at the centre of one of London's poorest boroughs is now at risk. All design work on the new centre has been suspended and the professional team working on the project will have to be disbanded. Without the new centre, training in those subjects will be delivered at the Vauxhall and Brixton Hill sites, which are not fit for purpose; they are in poor condition and in urgent need of modernisation. So, in any circumstances, money will have to be spent sooner or later, and one asks, where is the economy in that?

Nick Harvey (North Devon) (LD): Will the right hon. Gentleman give way on that point?

Keith Hill: I shall, but I will not give way very often, because I am conscious that a large number of colleagues wish to speak, so I intend to be as brief as possible.

Nick Harvey: The construction work itself could be part of the stimulus to the economy at a time of recession, and, on the country's ability to repay the bill, surely the very investment that the right hon. Gentleman describes in his area would be one of the best ways of doing that. Pound for pound, it would be far more effective than investment in the university sector. In my case, locally, North Devon college has spent more than £6 million and had hoped to get £75 million from the LSC, which was to be part of a wider package—the £200 million redevelopment of Barnstaple. Without that, I fear for the economy now and for our ability to pay back all the money and sort things out in the long run.

Keith Hill: The hon. Gentleman makes an eloquent case and, although I do not wish to engage in invidious comparisons between educational sectors, echoes the words of my right hon. Friend the Member for Oxford, East (Mr. Smith). I am delighted to observe—as I am sure my hon. Friend the Minister will in due course—that substantial sums have been brought forward in the further education college building programme to contribute towards combating our current economic difficulties and to generate exactly those apprenticeships and jobs of which the hon. Member for North Devon (Nick Harvey) spoke. I am grateful for his intervention.

A more immediate financial issue faces Lambeth college. In its preparatory work at the Brixton technology centre, the college has spent a total of £1.8 million on

consultants' fees, on the feasibility study and on detailed design proposals for the application in principle for funding that was to be submitted to the Learning and Skills Council in January for a planning application to be submitted at the end of March. However, the college has received only £200,000 from the LSC, with the remaining £1.6 million funded from college reserves. If the project does not go ahead, the college faces the prospect of having to write off £1.6 million in aborted fees, which it can ill afford to do. There is another reason why the college can ill afford this loss. The Clapham sixth form has cost it £21 million, of which only £5 million has been paid for by the LSC. The balance has been funded by a long-term loan that is costing the college £900,000 a year to service.

As my hon. Friend the Minister will be aware, the LSC has required all colleges undertaking phased property strategies to make their entire financial contribution in the first phase, on the promise that subsequent phases of capital works will be funded fully by the LSC, with the servicing of the loans then being funded by efficiency savings generated by the modernisation of the whole estate. However, the current suspension of funding for Lambeth college means that it has only been able to implement a part of its property strategy, but is having to service a loan that assumes full implementation of the strategy. In other words, the college's reserves have been utilised in developing the Brixton scheme on a promise that significant capital funds would be available. I emphasise that that has been done with the active encouragement of LSC officers. I say to my hon. Friend the Minister in all earnestness that if no funds become available, the college will have no means to modernise its remaining estate and will have to make budget cuts to pay for serving the loan, which will mean reducing the educational service that the college provides to the residents of one of London's poorest boroughs.

I have listened carefully to the words of the Secretary of State and I believe that he intends to minimise the financial losses suffered by the colleges. I expect Lambeth college to receive the most sympathetic treatment possible. But the sensible decision would be to let the Brixton scheme go forward, and I shall tell the House why—because it is a London scheme. The National Audit Office report shows clearly that progress in renewing the further education colleges' estate has been significantly slower in the London region than elsewhere in England. Only 32 per cent. of the infrastructure was renewed by 2008, in comparison with 50 per cent. nationwide, but that is not—emphatically not—because management in the London colleges has been slow or inadequate in any way. I probed that point repeatedly with officials when they came before the Public Accounts Committee on 17 November 2008 and was repeatedly told that the complexities of the London urban environment slowed the process down. Indeed, the NAO survey shows that the average length of time it takes nationally for a project approved in principle to be approved in detail is eight and a half months, but the average time for projects in London is 16.5 months, which is twice as long.

I leave this thought with my hon. Friend: beware of chopping off schemes because they are late in the programme, because I strongly suspect that that will have a disproportionate impact on London, where the need is great. The need is certainly great in Brixton and we would like our new technology centre.

2.54 pm

Sir George Young (North-West Hampshire) (Con): It is a pleasure to follow the right hon. Member for Streatham (Keith Hill). He makes a powerful case for London. He is fortunate to have had some investment in his college from the LSC; many hon. Members are still awaiting the first tranche. I place on the record that 28 hon. Members are in Westminster Hall this afternoon—an almost record attendance displaying the strength of feeling about this subject.

I want to make two brief points. The first is generic. This episode demonstrates an abject failure in one of the core responsibilities of Government. Government is about determining priorities, getting the resources for those priorities and ensuring that they are effectively applied. All over the country, our constituents want better hospitals, schools, roads and railways, but we do not spend money working up schemes unless there is some prospect of funding them. This fiasco has revealed a heroic waste of money by encouraging schemes to be worked up for which the funding is not and never was available. Many will be abandoned and others will have to be redesigned.

That is made worse by two factors. This Government have told us that with the introduction of three-year capital programmes there will now be greater certainty about them, which was not there before. They have also told us that they are bringing forward capital programmes, for counter-cyclical reasons, from year three of the current public expenditure survey round to year one. The Homes and Communities Agency is bringing forward money from year three to year one for precisely that reason. Yet here the opposite is happening, with capital spending at best deferred and at worst cancelled. This is financial incompetence for which, at the end of the day, Ministers must take responsibility.

My second point is specific to my constituency, although features will be replicated elsewhere. Two years ago, Cricklade college in Andover merged with Sparsholt college. At the time of the merger, I got a letter from the LSC saying:

> "Current thinking is that there will be a required investment of up to £30m in Andover and £20 million in Winchester".

It went on to say that these figures were indicative at that stage but ended:

> "I would wish to reiterate the LSC's commitment to ensuring an appropriate level of investment is forthcoming to support the ambitions of the merged college."

The scheme is now at £100 million, reflecting the substantial encouragement given by the LSC to build for the 21st century, with the LSC constantly urging the college to raise its sights. At one visit, an LSC officer told the college that he hoped it would knock down the main administrative building because it looked dreadful. That was not in the plan and it remains not in the plan.

The college submitted its application in principle last November, expecting approval in February or March. It has got planning consent for the project from Test Valley borough council. The scheme is an integral part of the regeneration of the centre of Andover and it plans to cater for the large number of NEETs in a growing town. Then, along with 143 other colleges, we were told at the beginning of the month that the deal is off. There is considerable anger in the town about how this has been handled.

[Sir George Young]

There is now a revenue problem—picking up on what the right hon. Member for Streatham said—superimposed on the capital problem. Now the scheme is not going ahead, the auditors will not allow the college to capitalise the consultancy costs, totalling some £2 million. This means that the college will now turn in a deficit for the current year, which might allow the banks to allege breach of covenant and give them an opportunity to review the terms of any loan and fees for renegotiation.

I want two things from the Minister: first, a statement on the consultancy fees and some comfort—either reimbursement or an assurance that the fees can be capitalised because there will be a scheme; and secondly, an indication of what on earth happens next. My college would be happy to negotiate around a lower figure and to phase the scheme in over a longer period. What we cannot have is an indefinite stand-off.

2.58 pm

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I congratulate the hon. Member for Southport (Dr. Pugh) on securing this incredibly important debate. I begin on a positive note, as a Member from Barnsley, and congratulate the Government on their programme so far and for the many improvements that have been made to college estates throughout the country, including in Doncaster college, which serves my constituency. I mention in particular the new Hub building in the centre of Doncaster, near the North bridge, which is providing an excellent learning environment for students.

Although I do not want to make too much of a political point, under the Tories the capital allocation of funding for colleges stood at not one penny piece. I am sure that all Conservative Members feel suitably ashamed about that. Money has been and is being well spent on the college estate throughout the country, and it is making a difference. Indeed, last week, the LSC published research showing the positive effects of huge increases in capital expenditure on colleges' performance. It found that, for every additional £1 million spent, a college attracts an average additional 111 learners, and a typical £10 million project improves a college's success rate by nearly 1 percentage point, as it encourages more learners to complete their qualifications.

My main problem is Barnsley college, but before I refer specifically to its problems, I shall set the scene of Barnsley's overall educational position. There is no doubt that it suffers from a legacy of under-achievement throughout its school estate with low staying-on rates and so on. That is a legacy of its past industries—the staple one was mining—and I could speak about that for more than half an hour, but I will not do so.

The problem has been recognised by Barnsley's local businesses, schools and the local education authority—so much so that it led to the Remaking Learning in Barnsley project, which started a few years ago around the turn of the millennium. That led to the council closing all 14 secondary schools in the borough, apart from the grammar school in Penistone, and replacing them with nine advanced learning centres, which will provide an extended secondary school environment, not just for ordinary schoolchildren, but for adult learners. It is the biggest Building Schools for the Future programme in the country, with a capital value of more than £250 million. Yorkshire Forward has provided £20 million, and Barnsley council is dipping its hand in its pocket to the tune of £70 million, which shows how important the project is to Barnsley's future.

It is difficult for an area such as Barnsley to regenerate itself, as I am sure you know, Mr. Benton, from your Merseyside experience. We are on the edge of two city regions—Leeds and Sheffield. In the current economic downturn, the number of claimants for jobseeker's allowance in the past 12 months has risen by 85 per cent. in Barnsley, but by 61 per cent. throughout Yorkshire and Humber. The rise in Barnsley has been the greatest in Yorkshire and Humber. The town knows that it must adapt and develop to create new industries and a broader skills base throughout the borough, and that is exactly what Remaking Learning in Barnsley is all about. Barnsley college's proposals are part and parcel of the borough's vision and integral to the town's future well-being.

I turn to Barnsley council, which has been in the media spotlight over the past few weeks. Barnsley college is the main provider of further education there, with 7,000 full-time students, including 800 A-level students who progress to universities throughout the country, 3,000 vocational students who progress to university or employment, 600 apprentices and 400 14 to 16-year-old learners. It provides opportunities and life chances to young people, adults and businesses. It also includes Train to Gain learners, work-based learning, tailor-made training and is an essential focus to help local people and businesses to gain skills employment and to prosper in the current climate. It is important to set the scene, so that the Minister has an idea of the impact that the current impasse will have if it is not resolved.

Barnsley college is a good case study, which is why the media have highlighted it. The college's new build project was originally approved by the LSC in July 2007, 18 months ago, when the LSC expected the college to obtain planning permission, to design a first-class new building, to create temporary accommodation for staff and students and to demolish the existing main college building. Demolition is in progress, and the main college building will be totally demolished in the next few days. We are at the end of phase 1 and are about to start phase 2 of a three-phase scheme.

Detailed approval was scheduled for December 2008, but the LSC cancelled the meeting at the last moment and rescheduled it for January 2009. It never took place. The college has spent £12 million on the project, plus £1 million of funding from the LSC. That £12 million includes a £10 million bank loan, with the full knowledge and approval of the LSC. Barnsley college has completed what was required and expected by the LSC on time and on budget. We now expect the LSC to find the £50 million required for the new building on the main site. The alternative is for Barnsley college to be left as a building site, with redundancies for building contractors. Building was rescheduled to start in May 2009.

Barnsley college is successful and financially stable, but the current situation could put it at risk and make it technically insolvent. The Government have a legal duty to provide further education in Barnsley. The Foster inquiry is considering only how we got into this mess, not how to get out of it, and the fact that Mark Haysom has resigned this week provides a good indication of where the inquiry will points the finger.

The 7,000 students in Barnsley want to know how we will get out of the mess and resolve the problem, which is the main point that I and, I am sure, other hon. Members want the Minister to focus on. It is obvious that he cannot resolve it by trying to micro-manage his in-house budget. He will need outside assistance, and the only possible source is the Treasury. I want to know what discussions the Minister is having with Treasury Ministers and with the Association of Colleges. I am sure that he is aware that several colleges are considering the legal implications of the programmes being suspended, and I would like him to concentrate on that also.

In conclusion, the £55 million project is designed to contribute significantly to Remaking Learning in Barnsley. Barnsley college wants to improve students' academic and vocational qualifications throughout the borough. In particular, we want to close the skills gap for the benefit of local businesses and inward investors. In short, Barnsley council wants to provide its people with the 21st century education and training facilities that it deserves. That is what the town deserves, and what we aim to deliver. The ball is in the Minister's court.

3.8 pm

Mr. Graham Stuart (Beverley and Holderness) (Con): It is a pleasure to have a few minutes—I shall try to make it a few minutes—to talk about the state of capital funding for further education colleges.

Three colleges serve my constituency: Bishop Burton college in my constituency, East Riding college, which is predominantly in Beverley and Bridlington in the constituency of my right hon. Friend the Member for East Yorkshire (Mr. Knight), and Hull college. Two of those colleges—East Riding and Hull colleges—have been affected by this fiasco. We have heard powerful speeches today showing the real effect on marginal communities and the most vulnerable people in those communities from the Government's failure to deliver their promised programme.

Unfortunately, Hull often finds itself at the bottom of the national league table for educational performance up to GCSE, but Hull college is outstanding, and it was told to be ambitious, to think big and to have 21st century buildings fit for 21st-century learners. The LSC told it to be more ambitious. Was that an aberration? Was the LSC on autopilot? Did the chief executive have a fit of ambition with no link to the Department? It is incredible. The colleges in my area and I hope that the Minister today will put to rest where that ambitions programme came from.

Was the LSC responsible? Is that why the chief executive has gone? Or were things driven by the Department? Did it want that message sent out all over the country? Are the Department and the Minister—whether personally or in his capacity as a Minister—responsible for what now seem to be the false promises that were made to so many communities around the country?

Notwithstanding Labour Members' understandable words of congratulation to the Government on their investment in FE over the years and the comparisons with the Tory years, the sad truth in this time of recession is that, for all the billions that have been spent, the number of young people who are NEETs—not in education, employment or training—is the same as when Labour came to power. Those 16, 17 and 18-year-olds are effectively washed up and do not see education and employment as offering them anything.

How much more important is it, therefore, to ensure that every penny that is spent on providing hope and opportunity to people in such a parlous situation actually reaches them. It is nothing short of a national scandal that a £10 million loan was made in Barnsley and that £1.6 million was spent in Streatham on consultants' fees that might ultimately go completely to waste. It will not be enough to blame the LSC, which is the largest quango that this Labour Government have ever set up and which they are now seeking to abolish and to replace with not one body, but what, on closer inspection, looks more like three. That is the Government's idea of streamlining. It is not enough to blame that quango—what we need from the Minister today is an honest statement of the Department's role.

I turn now to East Riding college, which is perhaps more fortunate than some in many ways. This summer, it will have had support in principle for its funding for two years. As a result of the sale of its current site and moneys that it has raised independently, it is seeking funding of just £15 million for a completely new college in the centre of Beverley. That will take the college from the leafy suburbs—I live at the entrance to the current college, so I know from personal experience that it is narrow, dangerous and unsuitable—to the centre of Beverley. The new site will be close to the railway station and to where the new park-and-ride will be. It will also be close to the Swinemoor estate, which has many of its own issues and looks to the FE college to provide hope and promise. The project will cost £23 million or £24 million, and the LSC will be expected to fund just £15 million of that.

The college provides an increasingly good standard of education. At its last Ofsted inspection, it was graded good and it was improving in all areas. It hopes that it will be graded outstanding when it is next reviewed. It will serve isolated rural communities—the east riding is the largest single unitary authority area in the country—and cover the area all the way to the coast, marginal communities in many of the coastal towns and villages and the area to the west of Beverley. It offers opportunities to people who have not done so well at school, and it will give people a real chance to get into work and pay taxes. As other hon. Members have said, this will be an excellent investment by the Exchequer.

I hope that the Minister will tell us today who is ultimately responsible for the current fiasco and what he will do to ensure that the millions of pounds that should have been spent on front-line education do not go up in smoke. Obviously, I would also be interested to hear about the prospects for East Riding college and its move to the centre of Beverley. That move is the first phase in the regeneration of a large derelict area, which is an eyesore in the centre of Beverley. The project will not only regenerate the town, but provide hope for those with least in the surrounding community.

3.14 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): I shall take only a few minutes because a great number of hon. Members still want to speak.

[Julia Goldsworthy]

It has been very sad listening to hon. Members talk about all the different colleges that are affected by the funding crisis. It is also interesting to see how broad the spectrum of their experiences is in this matter. Some of the colleges that face difficulties are clearly in the building process, others have detailed plans worked up and still others, such as Cornwall college in my constituency and the college in the constituency of the right hon. Member for North-West Hampshire (Sir George Young), have submitted an application and are still to find out whether it has been agreed in principle—they are also caught in this logjam, albeit that they are slightly further down the line.

Mrs. Humble: Blackpool and The Fylde college is awaiting a major relocation and rebuild decision. Blackpool sixth-form college has had money and phases, but it is just as disappointed because it had been confidently expecting the builders to be on site for the next phase to complete the project. There may be different types of problem, but they all lead to the same disappointment.

Julia Goldsworthy: The hon. Lady is exactly right. What has struck me from listening to other hon. Members is how important all these projects are to the regeneration of their local areas. It is worth emphasising that we are talking not just about the regeneration of inner-city areas; regeneration is also critical to more rural areas and market towns. Although Cornwall college has nine sites across Cornwall, one of the key sites is in Pool in my constituency. There is a massive urban regeneration scheme there, and a huge amount of resources are being poured in. There is a danger that if the college's project does not go ahead, it will remain a black hole in the middle of a regenerated area. The area has huge deprivation, and unemployment has gone up by nearly 80 per cent. in the past year. There are huge issues to be tackled, and the college will be critical in developing skills and providing people with support, but all that is being threatened, and the people who have been asked to develop programmes are being given false hopes.

The bulge that we are seeing reminds me of a symptom more common in the defence procurement budget, because the commitments that have been made go beyond what can actually be delivered, which is disappointing. I wonder about the motivation for that. Has the LSC encouraged this or has the Department encouraged the LSC to tell colleges to be ambitious—not to prioritise the sites that they felt were most in need of development, but to look at entirely redoing their estates strategy.

I have a few questions to which I hope the Minister will respond. I would appreciate a clear indication of exactly how many colleges are affected and exactly how much public money has been invested in developing proposals. Cornwall college has spent £500,000 so far on developing its proposals, and hon. Members have mentioned other, larger sums. What scale are we talking about? How much money has been spent by colleges that are still awaiting approval in principle? How much has been spent by those that have received such approval? How much has been spent by those that have now been told to put all their building work on hold?

Along with the principal of Cornwall college, I would also appreciate some detail on exactly how the renewed criteria will be reviewed and on what basis they will be formed. Cornwall college's proposal is further down the line and still awaiting approval in principle, and the college is concerned that there will be a cut-off, with only those projects at more advanced stages being considered. As I said, this regeneration programme is critical, so I hope that the Minister will be able to reassure us that the impact of any improvements on the wider regeneration of an area will be taken into consideration, regardless of how far the application and the development of the proposals have gone. I very much hope that the Minister will look at the context.

There has been incredibly close co-operation between different agencies at a local level in developing the site. Cornwall college has worked closely with the urban regeneration company and other bodies, but it is concerned that there will be no equivalent co-operation at a departmental level and that it will be affected by that. Again, I hope that the Minister can reassure us that that will not be the case and that the wider issues will be taken into account.

Finally, billions of pounds of investment are tied up in the proposals. All hon. Members have spoken about the impact that improvements will have on young people and about the longer-term support that they will provide to the economy in these difficult times. It seems to me that it would have been wiser if the Government had committed their billions to supporting the programme and ensuring that it could be delivered in all the areas where it is needed so desperately, rather than spending them on a £12.5 billion VAT cut that will have made little difference to the people who would get most benefit from the college development programme.

3.20 pm

Angela Watkinson (Upminster) (Con): I shall speak briefly, to enable as many hon. Members as possible to contribute. I came into the debate with a heavy heart to defend the case of Havering sixth form college and was surprised when my hon. Friend the Member for Basingstoke (Mrs. Miller) showed me a paper from the House of Commons Library that lists it as unaffected. If that is the case, I know that the college principal will be even more delighted than I will be, but I am not very optimistic.

Havering sixth form college is in a far worse state now than it was before the scheme in question was suggested, because, with the encouragement of the LSC, it has embarked on a major capital project and has already incurred costs to the tune of £6 million, in planning and the design process, professional fees and enabling works. The enabling works had to be done to gain access to the LSC funding, which has now been withdrawn. Those works involved the demolition of a sports hall and three classrooms, so the teaching and learning facilities in the college are now worse than they were.

The Minister has kindly offered to have a meeting with me and the principal of the college, and I am very grateful. May I tempt him a little further in his generosity—to come to Havering sixth form college and see the site? I know that his heart will soften, because if something is not done to help the college it will have to waste even more money on reversing the enabling works to enable the college to function. I place myself at his mercy.

3.21 pm

Christopher Fraser (South-West Norfolk) (Con): A consortium in my constituency has been established to put forward a Thetford college bid under the 16-19 capital fund. The decision to establish a new post-16 facility in Thetford was strategic and based on genuine need. Will the Minister confirm whether the current problems relating to Building Colleges for the Future are likely directly to affect the 16-19 capital fund?

The town of Thetford has many historic problems, such as social exclusion, deprivation and unemployment. Three years ago, in 2006, we thought we saw the light at the end of the tunnel when Breckland council secured growth point status for the town. That was a serious commitment to the prospects of Thetford at that time. An integral part of the initiative was raising the outcomes for the town and broadening the learning pathway, which is relevant to the debate, and improving student support through the post-16 facility—the college. The proposal for a Thetford college was offered as new hope to the town as part of the new achievement.

However, the initiative hit a stumbling block as a result of the funding problems associated with the Building Colleges for the Future programme. The consortium is scheduled to place a bid at the end of the year, but the most important point that I have to make is that the ground work in preparation for the bid has been started, and money has been committed. Does the Minister agree that those who bid for future funding need clarification about where they stand? When will some sort of certainty be provided? A new Thetford college would increase learning provision in the town and encourage school leavers to take further training. Does the Minister accept that the ability of Thetford to continue with its progress would be scuppered if plans for a Thetford college were to be put on the back-burner?

The town, which has an historic manufacturing base, is short of skills; 16 to 19-year-olds who live there desperately need access to training, including vocational training. Will the Minister assure my constituents that Thetford's progress will not be undermined as a result of the funding shambles?

3.24 pm

Mrs. Maria Miller (Basingstoke) (Con): I congratulate the hon. Member for Southport (Dr. Pugh) on securing the debate. My constituency has been hit hard by the funding freeze. In Basingstoke there is an excellent further education college, Basingstoke college of technology, and a sixth-form college called Queen Mary's college. Both need significant investment if we are to make sure that they can deliver what the Government want from Basingstoke, which is that it should be a diamond for growth and provide the economic prosperity and growth in the south-east that we so badly need during the recession.

Ten weeks ago the Prime Minister said:

> "An economic slowdown must not be an excuse to slow down the pace of investment and reform to strengthen our country for the future".

I am sure that students, parents, staff and employers in Basingstoke want reassurances from the Minister that they will not be let down.

BCOT has a much-needed plan to replace its outdated 1960s buildings with a modern facility that is right for the job, to teach and train employees for the future and to achieve the ambitions that the Government have for us. Indeed, it was the South East England Development Agency that highlighted the fact that access to further and higher education in Basingstoke needed to be improved if we were to achieve the high targets that the Government have set for my constituency. The investment that is made must be focused on those areas that will generate the best social and economic returns. I think that Basingstoke has a strong case to make in that regard.

Will the Minister confirm today that the information given at the capital summit in Westminster on Monday, which representatives of his Department attended, is correct, and that colleges such as BCOT, which have an application in principle on their projects ready for submission but have not yet submitted it, will also be included in the review and prioritisation process? When will decisions be made on that process, and what criteria will be used? I am sure that everyone will want such detail. How will the available money be rationed to be put behind the projects that need to be completed?

BCOT has already spent £1 million on fees to get to the stage it is at. It has been working closely with the LSC in the firm knowledge that building further education capacity in Basingstoke was the Government's strategic priority. It is vital that we should hear today what support will be provided, particularly given the rising number of NEETs in my constituency. In the words of the principal of BCOT, Judith Armstrong, the project is not a "nice to do", but is a necessary project that must be undertaken.

Queen Mary's college is part way through a significant redevelopment of its site and is just entering the next phase. I understand from a letter from the LSC that that is now under review. Again, that is deeply unsettling and a matter of deep concern for everyone involved. The Minister needs to suggest today when we are likely to get a resolution of that. A short delay in the implementation of those plans for BCOT and QMC would be manageable, but a failure to proceed at all would be, in the words of the leader of the council,

> "damaging to the area's economic prospects",

not to mention the prospects of its young people. The situation is a matter of great concern for my constituents and I hope that the Minister can assure us that there will be a speedy resolution, that he will tell us what criteria will be used to assess which projects can go ahead, and that he will make it clear who, if costs are involved in the delay, will cover those costs.

3.27 pm

Stephen Williams (Bristol, West) (LD): Thank you for calling me, Mr. Benton; I thought that we had three minutes to go for further speakers. I congratulate my hon. Friend the Member for Southport (Dr. Pugh) on securing a debate that is important not only for his constituency—and King George V college in Southport, which he mentioned—but for many others. Many hon. Members have come to the debate, and I am sure that there are others whose colleges' capital programmes are in jeopardy who would like to have been here, too.

We have heard about problems at Yeovil college and in Chesterfield; we have heard from my hon. Friend the Member for Falmouth and Camborne (Julia Goldsworthy

[Stephen Williams]

about problems in Cornwall. We have also heard about Barnsley, from the hon. Member for Barnsley, East and Mexborough (Jeff Ennis). When we were in the Library doing our homework for the debate, he showed me a clipping from the *Yorkshire Post* with a picture of a mainly demolished Barnsley college awaiting regeneration next door—a scene from downtown Beirut rather than 21st-century Britain.

We are having the debate, of course, against the background of a deep recession. We heard at Prime Minister's Question Time today the usual list of all the things that the Government are doing in their various Departments. However, in a recession surely the Department for Innovation, Universities and Skills should be putting more into skills. This is a time when more people will have constantly to reskill to cope with changing economic circumstances. It is the further education sector that will have to rise to the challenge and enable adults to reskill, so that they can find their place again when there is eventually an upturn in the economy.

In addition, the very least that we would expect from a competent Department is to maintain control of its own budget—a budget of just over £2.3 billion, which it often trumpets throughout the country to show the scale of its investment. Indeed, in the Chancellor of the Exchequer's pre-Budget statement in November, he was encouraging colleges to draw down on the budget at an early opportunity. He talked about acceleration of the Government's capital programme. Well, now what do we have? The schemes of 144 colleges have been held up, and many others do not know whether they will ever enter into the scheme in the first place. That is not so much an acceleration of the capital programme as a slamming on of the brakes.

Martin Horwood (Cheltenham) (LD): Among all these powerful statements, I should like to bring my hon. Friend's attention to what is possibly the worst example of all, which is in my constituency and the Cotswold constituency. The National Star college is halfway through a £15 million transformation of its main campus, which caters entirely for those with complex physical disabilities. Does my hon. Friend agree that putting such a project on hold lets down the college, other potential donors, the existing investment and some of the most extraordinary young people in the country?

Stephen Williams: I thank my hon. Friend for his intervention. He may not know this, but I have visited National Star college, which is just outside his seat, and seen the remarkable work that the tutors there do with adults with profound learning difficulties. If that college is in difficulty, that would indeed be tragic for the life outcomes of those people.

The Association of Colleges has done an excellent analysis of the situation by ringing round its membership and has discovered that, at one end of the scale, 30 colleges have spent up to £250,000 on the feasibility stage, and at the other end of the scale—colleges that are awaiting final approval—18 have spent more than £5 million already on their schemes. Those costs have all been incurred as a necessary part of the Learning and Skills Council capital expenditure approval processes. The costs would normally be capitalised, but now they may have to be written off. The Association of Colleges has calculated that up to £300 million of expenditure may be at risk of a write-off if the schemes do not proceed.

Even if the schemes do proceed, there will clearly be delay, and delay itself is also fraught with risk. All the schemes do not depend just on LSC capital contributions. They also depend on matched funding, usually from sales of land, or contributions from other agencies. We all know that land sales are falling by the day, and many other agencies, such as regional development agencies, also have pressure on their budgets. The schemes depend on tender prices already agreed. Those prices may be renegotiated, or the building contractors themselves may go bust as a result of the delay and a new tender process may have to be entered into. Of course, loans are relevant, too, and the banks may want to renegotiate their loans.

What has been the Government's response to this fiasco? They have swung from denial—initially they were hiding behind the LSC and the setting up of a review—to a breathtaking display of self-congratulation. As recently as last week, on the website of the Department for Innovation, Universities and Skills, there was a remarkable press release on this issue. The title was "College building programme has created 10,000 jobs". It stated:

> "This is part of the Government's overall strategy to provide real help now for families...by cutting taxes, helping homeowners...and bringing forward £3 billion of capital projects."

It went on to make spurious claims about how the college building programme adds a percentage or two to exam pass rates.

I hope that the Government will not hide behind the resignation of Mark Haysom—the chief executive of the Learning and Skills Council—to which the hon. Member for Barnsley, East and Mexborough referred. If anything, the finger should be pointed at the Government. Can the Minister confirm whether Mr. Haysom resigned or was pushed, and whether the terms of his reported £100,000 pay-off, plus, presumably, protection of pension rights, was agreed by his Department, so that we do not get into another Royal Bank of Scotland situation?

I have a number of other questions for the Minister, some of which have been raised already. How much funding will be available to be allocated in each of the financial years 2009-10 and 2010-11 so that colleges can plan ahead with certainty? Will he publish a definitive list of the 79 colleges that have obtained approval in principle and the 65 colleges awaiting approval in principle, which was referred to by the Secretary of State on 4 March? Is the Minister or the Secretary of State having urgent discussions with the Chancellor? The hon. Member for Barnsley, East and Mexborough said that the Treasury had a role to play in this respect. Will there be discussions on relaxing the borrowing rules? Colleges can borrow only 40 per cent. of their turnover. Is the Minister being supported in those discussions by the Department for Children, Schools and Families? Some £660 million of the budget is under its control, rather than his. Sixth-form colleges will shortly be transferred to that Department. Will the Building Schools for the Future budget still be guaranteed for those colleges, or will that be the next scheme in jeopardy?

These colleges have a clear role to play in the delivery of the education revolution that will take place in the next few years. Diplomas will be rolled out. The

Government have ambitious programmes for more apprentices. Last year, we passed a Bill to increase the leaving age for education and training to 17 and then 18. All those laudable objectives could be put in jeopardy if the further education programme is held up. Ironically, Sir Andrew Foster has done a review of this sector before. Back in 2006, he said that further education in England was the unloved middle child of the English education system. It is up to the Government to prove that that is not the case.

3.36 pm

Mr. David Evennett (Bexleyheath and Crayford) (Con): I am pleased that we are having this important debate. I congratulate the hon. Member for Southport (Dr. Pugh) on securing it to raise the subject of the college capital funding programme. I was very concerned to hear about the problems that his local college has been experiencing and the money that has already been committed from its own resources.

We have had a good debate, with the same issues raised on both sides of the Chamber. My right hon. Friend the Member for North-West Hampshire (Sir George Young) and my hon. Friends the Members for Beverley and Holderness (Mr. Stuart), for South-West Norfolk (Christopher Fraser), for Basingstoke (Mrs. Miller) and for Upminster (Angela Watkinson) made powerful cases for their local colleges and highlighted the problems that they are suffering because of the fiasco that we are enduring. There has been without doubt a catalogue of failings and problems throughout the country, caused by incompetence. The Minister must take some of the blame for that.

Mr. Andrew Turner (Isle of Wight) (Con): The LSC began to cast doubt on the programme's continued viability only in December 2008. However, in a letter to the Isle of Wight college principal, Debbie Lavin, dated 16 January 2009, the LSC chief executive, Mark Haysom, claimed that

"there is no freeze on the capital funding programme".

It was only in the following month, after Debbie Lavin had insisted on the LSC sending her a letter, that the LSC stated that the college should

"Cease working on the project with immediate effect".

Mr. Evennett: I note my hon. Friend's comment. He raises a very serious issue and we look to the Minister to respond. I hope that he will do so, because there are serious questions that need real answers, not just fluster and bluster. Ultimately, the Government are responsible for the situation that we are in today.

I am a passionate supporter of the FE sector and I know the good work that is done throughout the country in so many colleges. FE colleges have the potential to change communities and lives for the better. They give real help to individuals. We all want to support colleges and reinvigorate the sector, as many hon. Members said.

Britain's ability to come out of recession will depend on the strength of its skills base. Unemployment is rising quickly, so it is incumbent on the Government to provide people who have lost their jobs with opportunities to learn new skills or retrain during this difficult time. With skilled workers, businesses are better able to adapt to changing market conditions and to innovate to identify new opportunities. Similarly, skilled individuals are better able to cope with economic turbulence.

We heard that further education colleges play a vital role at the heart of their local communities, not only as providers of education but as providers of opportunity. They are in touch with the needs and demands of local people, local businesses and the regional economy in a way that funding quangos, Departments and some Ministers are not. The success story of the FE sector becomes ever more vital in light of our present economic problems.

We all hoped that the Building Colleges for the Future programme would be effective and that it would reinvigorate the sector with new facilities and new opportunities. Colleges were encouraged by the Learning and Skills Council to make innovative and substantial plans. The LSC even wanted colleges to be more ambitious than they had originally planned or wanted. Presumably, that was on the instructions of the Government. Some colleges were fortunate in getting their capital funding before the Government freeze was implemented.

Ministers are quick to remind us of the investment that has been made. The hon. Member for Barnsley, East and Mexborough (Jeff Ennis) highlighted that fact. Of course we welcome the investment, but we need the problem of the capital freeze to be resolved, as it is critical to the sector.

The Government's handling of the further education capital programme has been nothing short of chaotic. In December 2008, the LSC decided to freeze the approval process for three months, a decision that was made suddenly and without public announcement. Nineteen colleges were due to receive approval, yet Ministers claim that as part of the Prime Minister's fiscal stimulus, some of the college building budget was brought forward from 2009-10. The Prime Minister said in January:

"An economic slowdown must not be an excuse to slow down the pace of investment and reform to strengthen our country for the future…we have also taken action involving some tough decisions that will also benefit every region and nation of the UK to bring forward our capital spending programmes".

The LSC has a £694 million capital budget for 2008-09. The budget was due to rise to £819 million in 2009-10, following the Government's decision to bring forward public sector capital expenditure. Some of that money was to be spent in the current year. The three-month freeze means that many capital grant payments will be delayed until the next financial year, yet the Government still claim that there is no freeze.

In January, the chief executive of the LSC said:

"There is no freeze on the programme."

The Secretary of State for Innovation, Universities and Skills repeated that claim in the House, saying:

"There is no freeze in that spending programme".—[*Official Report*, 29 January 2009; Vol. 440, c. 487.]

Many colleges, with the support of the LSC, had therefore already started their building works, expecting the final funding bids to be rubber stamped at the December meeting and beyond.

Following that, on 4 March the Government announced that while eight of the programmes would be approved, they would not be funding the 144 projects in the earlier stages of the approval process. However, as we heard, many of those colleges have already started their building programmes, with the encouragement of the Government. The freeze will result in higher costs for institutions, in some cases running into millions of pounds.

[Mr. Evennett]

Who is affected by the latest freeze? Seventy-nine colleges are waiting for approval in detail, the final stage of the approval process. To be considered for approval in detail, colleges must have already secured planning permission and put together a full project brief. Those colleges will have incurred considerable costs to reach that stage, and, as we have heard, some have begun demolishing old buildings. Sixty-five colleges are waiting for approval in principle. Those colleges will already have assembled a project team and put money towards preparing the bid. For example, I understand that Worthing college has spent £1.7 million getting to this stage, which is money from its own reserves.

A survey by the Association of Colleges found that 168 colleges have already spent £215 million. I understand that some were led to believe that the money had been ring-fenced for them. The hon. Member for Barnsley, East and Mexborough told us of another example, that of Barnsley college, which I understand has been half demolished. It is unacceptable that colleges should be left in that situation. It is not acceptable for the Government to say that it does not matter because it does matter to the people and communities involved. I understand that there may be job losses, and they will affect not only the colleges but the construction industry—the architects and engineers involved—and the ancillary staff connected with the projects. The problem will also affect future students. Some fear that projects that are being put on hold may never be implemented.

Ministers must come clean on the scale of the problem. The colleges affected will not be able to improve their facilities at a time when it is desperately needed. What will the Government do about it? I have a series of questions for the Minister. I know that time is short, so I shall not spend too long on them.

Concerns about the affordability of the capital programme were expressed for the first time at the September capital board meeting and at the main board meeting in December. The Department for Innovation, Universities and Skills was represented at that December meeting, so when did Ministers first discover the scale of the crisis?

One of my regional papers, *Kent on Sunday*, our free Sunday newspaper, last week had the front-page headline "Colleges facing funding freeze". The article highlighted the plight of colleges in Kent. It said that North West Kent college had already demolished some of its buildings, and that Thanet college had spent £4 million of its own money preparing to rebuild.

At least £198 million may have to be written off if colleges' capital projects do not get LSC backing. The LSC is anticipating legal challenges over the effects of the freeze. Given that colleges were encouraged to apply for capital projects, what will the Government do to compensate those colleges that, through no fault of their own, find themselves financially exposed because of the mismanagement of the capital programme? Rather than spending £100,000 redesigning the DIUS website, perhaps the Minister should have put that money towards costs incurred by colleges as a result of the Government's incompetence.

The principal of Barnsley college, Colin Booth, said that delaying works to his college may well end up bankrupting it. What will the Government do to prevent colleges from going bust? With Barnsley college in mind, what will the Government do to support projects that have already started construction?

The failure of some projects will have much bigger implications. For example, the College of West Anglia's redevelopment is part of a massive regeneration project in King's Lynn. Planning permission has been obtained, and funding from several authorities is in place. The college itself is a crucial part of the project. What will the Government do about situations like that?

Owing to glaring communication failures, much of what we know about the crisis has come to light through surveys of colleges and freedom of information requests. Will the Minister commit the Government to providing periodic statements to the House that include all the relevant figures and progress updates?

The chief executive of the LSC, Mark Haysom, has resigned, taking full responsibility for the programme's failure. Essentially, Ministers have been passing the buck. Mr. Haysom said:

> "I don't need to wait for that report to be published before making my decision because it will, I'm sure, confirm what I now know—that there have been failures in the way that the LSC has managed the programme."

Does this sudden outbreak of accountability mean that Ministers will follow Mr. Haysom's lead? They have failed. What responsibility will they take?

It is of paramount importance that the Minister sets out as soon as possible how much funding will be available for the postponed capital projects for which funding has been promised by the LSC in order to ensure that colleges can plan effectively and mitigate the financial effects of continued delays. The LSC also needs to confirm the timetable and criteria for the prioritisation of the projects.

The LSC's communication with colleges over the past four months has been extremely poor. The minutes for the LSC national council meeting in December, when the initial decision to postpone all capital projects was taken, were issued only as a result of a freedom of information request. That is disgraceful. We are still awaiting publication of the minutes from the meetings of October 2008 and March 2009.

The Government have let down so many colleges and learners. The Minister ought to be ashamed. He should find the courage to apologise and say what he is going to do.

3.48 pm

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. Siôn Simon): I congratulate the hon. Member for Southport (Dr. Pugh) on securing the debate. As has been noted, it is unusually well attended, as this serious matter is of great concern to many Members. I am acutely aware of that fact. In the small time that I have available, I shall take interventions from those hon. Members who have not yet managed to speak.

Mr. Alan Meale (Mansfield) (Lab): I pay tribute to the hon. Member for Southport (Dr. Pugh) on securing this debate on a very serious matter. Taking up the theme of his introduction, will the Minister tell his right hon. and hon. Friends at the Department for Innovation, Universities and Skills that we need a much fuller

debate? This short period is totally insufficient to do justice to the seriousness of the matter. In my own case—

Mr. Joe Benton (in the Chair): Order. I think that the point has been made, if it was merely to ask the Minister for a more extended debate. To be fair, there is little enough time for the Minister to respond to every point made.

Mr. Simon: I shall take my hon. Friend's point back to my right hon. and hon. Friends in the Department and to business managers.

Mr. Meale: On a point of order, Mr. Benton. The Minister knows of the seriousness of the situation at West Nottinghamshire college, which has already spent £7.5 million at the direction of the LSC—

Mr. Joe Benton (in the Chair): Order. I am sorry, but that is not a point of order.

Mr. Simon: I have talked to the principal of West Nottinghamshire college, and I understand that the situation there is difficult, as it is in many parts of the country. Clearly, too many right hon. and hon. Members have made points about individual colleges for me to cover them all now. However, I have tried to write to all those hon. Members whose constituencies were thought to be affected, inviting them and their college principals to meet me to discuss the matters in detail. Some Members will not, however, have received such a letter, because the LSC could not tell us—this has been part of the whole problem—the scale of the problem and which colleges were affected until a few days before the written statement made on 4 March by my right hon. Friend the Secretary of State for Innovation, Universities and Skills. We have only had that information for the past three weeks.

Mr. Paul Truswell (Pudsey) (Lab): I join everyone in congratulating the hon. Member for Southport (Dr. Pugh) on raising this important issue. To the litany of concerns, may I add Leeds, where the LSC encouraged colleges to merge? Three colleges opted in, on the explicit understanding that major capital resources would be made available to meet the infrastructure requirements. In fact, two colleges that did not join that merger think that they might be penalised. Can the Minister understand the dismay and despondency now that the capital funding tap has been turned off?

Mr. Simon: I understand my hon. Friend's point, and I share his dismay. However, it is not appropriate, practical or feasible for me to go into the details now of any of the colleges in Members' constituencies. If they want to meet me and to bring their college principals to have a more detailed discussion, I am happy to extend that invitation.

Christopher Fraser: With regard to the communication that many of us have not received, will the Minister agree to a specific date by asking his officials to contact us, including myself, so that I can get a date in the diary soon to discuss the problems in my constituency, bearing in mind that he will not necessarily cover it in his remarks today?

Mr. Simon: I wrote to Members this week setting out the situation, but I shall write again to those hon. Members whose constituencies we believe to be affected, making it clear that, as has always been the case, anybody who wants to discuss their own situation will be welcome. The problems with the programme are well known. Many right hon. and hon. Members spoke with passion and feeling about the difficulties in their constituencies, and I have repeatedly said that I understand their frustrations as local representatives. I also understand the frustrations and fears of college principals and governors. I was in Leicester this morning talking to hundreds of college governors and clerks; understandably, feelings were strong.

I was specifically asked not to do so, but, before entering into further details, I shall, in five short sentences, put a few fundamental points on the record. It is important that all right hon. and hon. Members, especially Opposition Members, understand that, in 1997, this budget was nil. Since then, 700 renovation schemes have been carried out in 330 colleges, and only 42 colleges in the country have yet to receive any investment.

Dr. Pugh: The Minister is doing what I asked him not to do: to read out a litany of what has happened so far and to say that he shares our pain. We are all grateful for that, but fundamentally, colleges need a timetable to get us out of this mess. Can he give any information about when the issue will be resolved? What dates have we?

Mr. Simon: The hon. Gentleman said in his opening remarks that we need to work out an answer to the problem. I agree with that, but now is not the time or place to do so, and nor are we the people to do it. I cannot give him an easy answer; I do not have a ready-made, off-the-shelf solution; I cannot give him a simple time line. However, I can repeat what we have said before: the LSC has a new chief executive who understands clearly that his first priority is to deal with the troubles, especially the worst and most urgent of them, affecting those 144 colleges. I also take the point made by the hon. Member for Yeovil (Mr. Laws) that the problem is not even limited to those 144 colleges, because many others that have not applied for approval in principle will have invested considerable management time, resources and sums of money, and they could have borrowed money to do so. The first responsibility of the LSC's new leadership will be to address those colleges' needs.

When, in the next week or two, Sir Andrew Foster's report is received, the LSC's new leadership, working with the Department, the Association of Colleges and the sector more broadly, will introduce proposals to deal with the problems. We will deal with individual problems according to their urgency and seriousness.

Lynda Waltho (Stourbridge) (Lab): I accept everything that my hon. Friend the Minister says. However, many principals feel insulted. I, and they, accept and are grateful for everything that has been done already, as underlined in constant press releases, but many principals feel that they have been treated with disrespect. My hon. Friend is not a disrespectful person, but to constantly go over what we have done already is not enough. They want practical answers to very definite questions. I thank him for what he has done for my constituency and its colleges, but they want definite answers. If we do not understand that, we risk losing what good will—

Mr. Joe Benton (in the Chair): Order. That intervention is too lengthy.

Mr. Simon: I understand that colleges need clarity and certainty and that people feel vulnerable and frightened. We are clear that the first responsibility of the LSC's new leadership is to give them that clarity and certainty. I cannot do that this afternoon. The LSC understands that it must do it immediately and urgently. If my hon. Friend says that college principals feel insulted—

Mr. Joe Benton (in the Chair): Order.

4 pm

Sitting suspended for a Division in the House.

Asbestos (Schools)

4.15 pm

Paul Rowen (Rochdale) (LD): It is a pleasure to serve under your chairmanship, Mr. Benton. I thank Mr. Speaker for granting me this debate and those who have assisted me in preparing it. I would especially like to thank Michael Lees, for his work campaigning on asbestos in schools over many years; the editor of the *Daily Mirror* and its reporters, especially Mark Ellis, for exposing issues involving asbestos generally and asbestos in schools in particular; the *Manchester Evening News* and the *Rochdale Observer* for their freedom of information work on the number of schools with asbestos in Greater Manchester and Rochdale; and the Association of Teachers and Lecturers union, especially its general secretary Mary Bousted—

4.16 pm

Sitting suspended for a Division in the House.

4.27 pm

On resuming—

Paul Rowen: I hope that we do not get another interruption.

I should like to finish expressing my thanks to the Association of Teachers and Lecturers union and its general secretary, Mary Bousted, for the information and support that they have provided for the debate. I thank the all-party asbestos sub-group, chaired by the hon. Member for Barnsley, West and Penistone (Mr. Clapham)—I am delighted that he is here with us today—and Jason Addy of the Save Spodden Valley action group in my constituency of Rochdale. All errors of fact are my own.

Asbestos has no respect for status, position or job occupation. There are no safe limits; one fibre can be enough to cause asbestosis or mesothelioma. We know that the numbers of people dying of asbestos-related diseases are steadily rising each year. Currently, approximately 3,000 people die each year, with the peak expected over the next 10 to 20 years. Asbestos-related diseases have a long provenance. Typically, it can take 30 to 60 years before an exposure leads to a person developing the disease. That leads to difficulties in apportioning responsibility and problems in getting compensation. Many hon. Members have campaigned for better support for the victims of asbestos, including those who have worked in schools.

Asbestos is present in a large number of our schools that were built or modified between the 1940s and 1985, when its use was banned. It was mainly used as thermal insulation in boilers, in insulation boards used for fire protection, for acoustic purposes on ceilings, ducts, partitions and service shafts, and on steelwork for fire protection purposes.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): I congratulate the hon. Gentleman on securing this important debate. Does he believe that one way forward would be for a national audit to be carried out either by the Health and Safety Executive or by local authorities together with schools? Once it has been

identified where the asbestos is, a record could be published and related to training governors in each school on how to manage asbestos.

Paul Rowen: I am grateful to the hon. Gentleman for that intervention. He has a long history of campaigning—rightly, in my view—on asbestos-related diseases. I intend to cover that later in my remarks.

A recent freedom of information survey conducted by the *Manchester Evening News* showed that 903 out of 1,043 schools in greater Manchester contained asbestos. Last Wednesday, the BBC revealed that 1,499 of 1,606 schools in Kent, Sussex and Surrey contain asbestos. It also determined that systems for asbestos management are ineffective and that staff and pupils are at risk. The HSE has subsequently issued improvement notices. An earlier ITN report revealed that a school in Brent had failed to implement adequate asbestos management systems and had put staff and pupils at risk. In recent months, the HSE has issued 18 improvement notices to schools and local authorities for failing to identify asbestos, failing to implement a reasonable plan of action, or failing to manage risk.

Let me declare my interest in this subject. Prior to my election in 2005, I worked for 28 years as a secondary school teacher, spending 15 years as a deputy head, and for five of those years I was responsible for the maintenance of the school's buildings. I shall return to that point. Teaching and the possible exposure of children to asbestos have been classed as low-risk, unlike other occupations such as plumbing or shipbuilding. Nevertheless, that low risk comes either with a long exposure time, or, for young children, exposure at a particularly vulnerable time. Statistics from the Department for Children, Schools and Families show that at least 178 teachers have died of mesothelioma or asbestos-related diseases since 1980.

Mr. Richard Bacon (South Norfolk) (Con): The HSE has said that that number represents what one might expect in the population as a whole, but does the hon. Gentleman agree that it has missed entirely the point that one would expect a much lower number of teachers to be affected than people in occupations in which there is high exposure to asbestos, such as shipbuilding or construction? The call by the hon. Member for Barnsley, West and Penistone for a national audit is therefore all the more vivid.

Paul Rowen: The hon. Gentleman is exactly right. Indeed, statistics show that teachers are at a higher than average risk. The teachers union, the Association of Teachers and Lecturers, knows of at least 400 people who have contracted asbestos-related diseases. This issue is a ticking time bomb. There has been little to no research into the long-term effect of low-level exposure to asbestos. It is clear to me that the current system of local management by local authorities is not working. That is why I support the proposal of Professor John Edwards for a national centre for asbestos research at Sheffield university. This issue would be an important area for research.

The form of asbestos that has been used in UK schools is also important. Much of it is amosite and some is crocidolite. Amosite is estimated to be 100 times more likely to cause mesothelioma than chrysotile, whereas crocidolite is even more dangerous, being 500 times more likely to cause mesothelioma. My hon. Friend the Member for Mid-Dorset and North Poole (Annette Brooke) recently told me about a constituent of hers who worked in Dorset schools as a support teacher for the deaf for 28 years, who now has mesothelioma and has only months to live.

The proportional mortality ratio is a statistical method of comparing the incidence of deaths between occupations. Where there is no exposure to asbestos, a male would have a PMR of about six and a female would have a PMR of 36. However, between 1980 and 2000, the PMR for male school teachers was almost 10 times greater, at 57, and for females it was almost three times greater, at 100. The PMR for female teachers was twice that of female nurses, but there are similar numbers of nurses to teachers. Can the Minister explain why their death rate should have been twice as great?

Since 1985, UK policy has been to deny that this was a national issue, and to put responsibility on to local authorities and the HSE. The Minister for Schools and Learners, the right hon. Member for South Dorset (Jim Knight), recently gave the same reply that Schools Ministers have given for the past 20 years when he said:

> "Detailed information about the incidence of asbestos in schools is not collected centrally. Local authorities are responsible for school buildings under their management." [*Official Report*, 7 July 2008; Vol. 478, c. 1412W.]

It is also clear from freedom of information requests that I have submitted to local authorities across the country that in many cases they are not meeting their obligations. That cannot continue. The majority of councils do not employ full-time individuals to monitor the safety of asbestos in public buildings, so it is not surprising that there is increasing evidence of asbestos incidents in schools being caused by the failure of asbestos management. It is unsatisfactory that the facts about asbestos and its management in schools have to be revealed by newspapers, television programmes and individual FOI requests. The Government, Parliament and the Department have a clear responsibility to take a lead and to develop clear policies for asbestos monitoring, management and removal.

Dan Rogerson (North Cornwall) (LD): I congratulate my hon. Friend on securing the debate. I should say that my parents were both secondary school teachers, although they are now retired. My father was a drama teacher for 30-odd years, so he used to scramble around the ceiling of a school that was built during the period that my hon. Friend has mentioned to put up lights and things for school productions. I am sure that many of his colleagues across the country will also have been affected, or will have been at risk of being affected, perhaps unknowingly. My hon. Friend is concentrating on the information aspect; does he think that the problem is a lack of awareness, despite the efforts of journalists and hon. Members, about what is there?

Paul Rowen: No, the problem is not a lack of awareness; it is the lack of clear systems and policies to do something about this issue. In both the USA and Eire, clear policies have been adopted with a clear strategy, including a centrally conducted review of asbestos in all schools. In Eire, once national data were available, national plans were produced to remove asbestos, even, the Dail Eireann report states,

[Paul Rowen]

"if this would not normally be considered necessary".

More than 25 years ago, in the USA the federal Government carried out a national audit of asbestos in their schools, and the risks to teachers and children were assessed. Stringent federal regulations on asbestos specifically for schools were introduced, and resources proportionate to the risks were allocated, so that schools could manage their asbestos. In comparison, successive Governments in Great Britain have refused the requests of MPs and unions to carry out an audit or risk assessment, with the consequence that they do not know the scale of the problem and are therefore unable to allocate proportionate resources to the policy of asbestos management.

In my last five years of working in a school, I was responsible for building maintenance. We had an asbestos register, and if any work was carried out by contractors, I made sure that they were aware of it. However, despite the issues, I received no training or support to tell me what my responsibilities were as a deputy head. It is clear that governors and senior staff need support, as it is usually the head teacher who is charged if there are any failures in asbestos management.

The Northern Ireland Office has carried out a full audit of all schools in the Province and has allocated resources to remove asbestos. We need the same policy in England and Wales. We need to develop a policy that undertakes a national audit to give us an idea of the extent, type and condition of asbestos in schools.

Mr. Clapham: The hon. Gentleman has mentioned asbestos type and spoke earlier about blue and brown asbestoses, which were banned in 1985, as well as white asbestos. We have to be aware that, before white asbestos was banned, Leicester university did a study that showed it was just as carcinogenic and that there was no safe working limit with white asbestos. Does he agree?

Paul Rowen: I agree with the hon. Gentleman, who knows a lot more on the topic than I can ever hope to. As I said, there is no safe limit for dealing with asbestos.

First, I suggest that we start the national audit with 100 schools that have been selected to provide a cross-section, followed by a full survey of all schools within a defined period—for example, five years. The Department should make additional resources available to any school that agrees to the survey and is shown to need remedial work. That work should be carried out by independent asbestos consultants, rather than local authority officers, many of whom are not qualified to carry out the sort of inspection that is needed.

Secondly, for the occupants of schools with asbestos, an assessment of risk needs to be undertaken by what I hope will be the newly established national centre for asbestos research, with particular emphasis on the risks to children. Thirdly, the campaign—carried out by the HSE in the past—to improve asbestos management in schools needs to be reinstated. Fourthly, a policy of the complete removal of all asbestos when schools are refurbished should be adopted—either under the Building Schools for the Future programme or the primary capital programme. Finally, a taskforce of teachers, governors, local authorities and the Department should be set up to look at the training and support provided to governors and head teachers in discharging their responsibilities for asbestos management in schools. Those are challenging targets, but they are vital for the future health and well-being of our young people.

4.41 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Sarah McCarthy-Fry): I, too, congratulate the hon. Member for Rochdale (Paul Rowen) on securing the debate. I know that he is passionate about the subject and, as he explained, he has had first-hand experience of tackling it during his time as a head teacher. I am particularly pleased to respond because my constituency of Portsmouth is one of the hot spots for mesothelioma. It has the fifth highest prevalence in the country, so many of my constituents are familiar with the disease.

As has been said, this is a particularly important subject in schools because the health and welfare of the staff and pupils working and learning in our schools is obviously paramount. They should be able to go to school with the confidence that the buildings in which they are working are safe and fit for purpose. Record capital investment in our school buildings is sweeping away the legacy of outdated buildings and is refurbishing local landscapes with school buildings that are fit for 21st-century learning. As has been mentioned, the Building Schools for the Future programme aims to rebuild or refurbish every secondary school in England that needs it, and the primary capital programme is providing the same regeneration in primary schools. More than 1,200 schools have now been rebuilt or refurbished. However, there are remaining schools that still contain asbestos.

We take the HSE's expert advice, which is that it is safer to leave undisturbed or undamaged asbestos in place and carefully manage it, but that, where asbestos has become exposed, it should be removed. By law, schools must have robust processes in place to monitor asbestos carefully. It is the responsibility of both the Department for Children, Schools and Families and the HSE to monitor those processes. Responsibility for complying with the legislation lies with the duty holder which, in the case of maintained schools, will usually be the local authority. Those responsible for maintenance and repair in schools—or in any other non-domestic building—also have a legal duty to manage the risks arising from asbestos. That person—the duty holder—needs to take steps to identify whether asbestos is present in buildings and to assess its condition and record that information. They also need to assess and manage the risk to ensure that people are not exposed to asbestos fibres.

HSE guidance on asbestos surveys is currently being revised and is due to be published this summer. That has involved widespread consultation with internal and external partners, including local authorities. There will be two different types of survey: management surveys and refurbishment or demolition surveys. Management surveys will often involve minor intrusive work and some disturbance. The purpose is to locate, as far as is reasonably practicable, the presence and extent of any suspected asbestos-containing materials—ACMs—in the building that could be damaged or disturbed during normal occupancy, including in relation to foreseeable maintenance and installation.

Refurbishment or demolition surveys are necessary prior to any refurbishment or demolition work being carried out. The intention is to locate all ACMs, so that they can be removed before that work takes place. As such, those types of surveys will be much more intrusive and destructive compared with the management surveys. Provided a full management survey has been undertaken, the duty holder only needs to undertake a refurbishment survey of the specific area to be refurbished—for example, a classroom. The results of asbestos surveys should be recorded and an asbestos register is often kept on site, as well as centrally at the local authority office. A log book is usually kept with the asbestos register on the school site for contractors to sign to prove that they have seen the asbestos register before they start maintenance or repair work that might disturb it. A survey may identify ACMs that require urgent work to repair, encapsulate or remove them.

As I said, the HSE advice is clear that it is safer to leave asbestos in place where it has been undisturbed and undamaged, rather than try to remove it. I am, of course, aware of the cases of mesothelioma among teachers. In fact, a few weeks ago, on mesothelioma action day, I shared a platform with a teacher from Poole—I do not know whether it was the same one referred to by the hon. Gentleman—who, sadly, had only months to live. We also need to be aware that asbestos poses more of a risk to those working with it on repairs and maintenance in general than to the staff and children within a school.

However, for both teachers and maintenance staff, we must have robust processes in place to control asbestos. We have produced clear guidance for schools and local authorities to help them to identify and manage the risks posed by asbestos. Asbestos surveys should be part of the regular condition surveys carried out at school premises as part of asset management plans. Asbestos surveys must be rigorous enough to identify damaged material that could contain asbestos, and further action, such as intrusive surveys and the repair or removal of any asbestos containing materials, should be taken as necessary.

It might be that not all local authorities are taking their responsibilities under the Control of Asbestos Regulations 2006 as seriously as they should—the hon. Gentleman's survey, which was conducted under the Freedom of Information Act 2000, certainly indicates that. I emphasise to him that it is not an option for local authorities and school employers not to comply. Cases of non-compliance are followed up by the HSE and that results in improvement notices or even prosecution. In September last year, we wrote to local authorities and schools about asbestos in system buildings and reminded them of their legal obligations and the actions that should have been taken to assess and control asbestos.

We followed that up at the beginning of this year with an electronic survey of local authorities and dioceses. The survey asked all local authorities to confirm what actions they have taken or are planning to take regarding asbestos management in their system buildings. That was a joint survey, carried out by ourselves and the HSE. We will be jointly scrutinising the results once it is completed and considering whether further steps are needed to ensure that local authorities and schools fulfil their legal duties. Failings identified by the survey will be followed up by the HSE and we are happy to consider the results of the hon. Gentleman's survey alongside that work, if he wishes to make that information available to us.

The hon. Gentleman cited international examples of asbestos management in schools. We considered the complete removal of asbestos in all schools, as is the case in America, but looking at the evidence, it was decided that complete removal caused serious danger to workers and building occupants, and that it was therefore best to leave asbestos in place if it is not deteriorating. In Northern Ireland, asbestos remains in place, but it is strictly managed by the education and library boards. If the Control of Asbestos Regulations 2006 are followed and if periodic checks and surveys are carried out on the state of asbestos, it can be safely managed and the risks can be minimised.

The hon. Gentleman also argued for a national register of asbestos surveys. Although it is essential for duty holders to maintain surveys at a local level, I am concerned that a national register of schools would duplicate the work already undertaken by local duty holders—in most cases that is the local authority. A national register of schools is not currently necessary because we have the existing processes. However, it is fair to say that we will keep that under review.

The hon. Gentleman made a further point about training. Head teachers and governors need to be aware of their responsibilities under the Control of Asbestos Regulations 2006 when commissioning building or maintenance work. That not only applies to renovation projects, but to smaller scale modifications, such as installing interactive whiteboards and computer cabling.

The hon. Gentleman's suggestion of including training for head teachers in the national professional qualification for headship is a good one. Training already includes a module on estate management, and we will undertake to work with the National College for School Leadership to see whether we can further embed the management of asbestos and wider health and safety issues into the training. It would also be appropriate to look at the content of the diploma course for school business managers, which is also run by the NCSL.

Reaching local authority staff is also a priority, and I welcome the recent publication by the Federation of Property Societies, "Compliance Monitoring in Council Premises", which includes detailed guidance for local authority and school staff on the implementation and control of asbestos and other health and safety legislation.

All secondary schools in Rochdale are now involved in the Building Schools for the Future programme, and are in the procurement stage with a view to signing contracts at the end of the year. Under BSF, the responsibilities and liabilities for dealing with asbestos are set out in the standard contractual documents produced by Partnerships for Schools. They currently require local authorities to provide a type 2 asbestos survey to bidders. Local authorities have to confirm that one is available when they submit their outline business case to PFS for approval, and include one as part of the documentation provided to bidders at tender stage. The bidders then normally take a type 3 asbestos survey. Once a local education partnership is set up, local authorities are again required to provide a type 2 survey, or could arrange for the LEP to procure one. Again, that will inform the process for a type 3 survey.

[Sarah McCarthy-Fry]

Major refurbishments undertaken under BSF would normally include the removal of all asbestos, and any deteriorating material would normally be identified by a type 2 survey and removed. The documents will be updated to reflect new HSE guidance for the surveys that I described.

Nothing is more important than the health and safety of children and the teachers who work in our schools. We are committed to doing what is necessary to ensure that asbestos in schools is managed safely, and we will be looking closely at the results of the survey that we have undertaken, which is due to close at the end of this month. We will continue to communicate with head teachers, governors and local authority staff. As I said, parents must have confidence in the safety of the school to which they send their children, teachers and school staff should feel safe at work, and pupils should feel safe and secure in their learning environment.

4.52 pm

Sitting suspended.

Livestock Industry (Climate Change)

4.57 pm

Kerry McCarthy (Bristol, East) (Lab): It is a pleasure to see you in the Chair, Mr. Benton, for this debate, which is about an issue that has been of long-standing interest to me. Until recently, I was part of the small minority who were aware of it. It was always mentioned in the context of the debate around vegetarianism, as an add-on to the main arguments about the ethical case for giving up meat, the health benefits and so on.

I should probably get this out of the way straight away and say that I am a vegetarian. Actually, I have been a vegan since 1992 and a vegetarian since 1981, but I hope that I can convince people that I am not calling for this issue to be treated with the seriousness that it deserves because of my ethical concerns about vegetarianism. I am not trying to use this debate as a Trojan horse to push that case. I genuinely think, from an environmental point of view and also a development point of view, that we need to look at the impact of increasing meat and dairy consumption around the globe and the consequent growth of the livestock industry.

As I said, this was very much a marginal issue, but it is now crossing over and becoming mainstream. One of the key points in that process was when the United Nations Food and Agriculture Organisation published its report, "Livestock's Long Shadow" in 2006. It looked at a range of issues, including the impact of the livestock industry on land use, soil, water, biodiversity depletion and climate change. The report's conclusion was stark:

> "The livestock sector emerges as one of the top two or three most significant contributors to the most serious environmental problems, at every scale from local to global."

The basic fact is that the livestock industry uses huge amounts of water, grain, energy and land. On the UN figures, it is responsible for 18 per cent. of total global greenhouse gas emissions. That is more than the emissions from all the world's planes, trains and cars put together.

I should say at this point that this speech will almost unavoidably be full of statistics, which I appreciate makes for dull listening, but it is important to get some of the facts and figures on the record. There are many different statistics floating around, and it has been difficult to come up with the definitive ones. For example, on the livestock industry's contribution to global greenhouses gases, the Government use the figure of 14 per cent. I shall use my figures and hope that we do not get into too much to-ing and fro-ing.

The first factor that I want to identify is the sheer amount of grain or soya crops that it takes to produce feed for animals. It takes 8 kg of grain to produce 1 kg of beef; 4 kg to produce the equivalent amount of pigmeat; and 2 kg for the same weight of chicken. That pushes up food prices throughout the world. Raj Patel wrote in his excellent book "Stuffed and Starved":

> "The amount of grains fed to US livestock would be enough to feed 840 million people on a plant-based diet. The number of food-insecure people in the world in 2006 was, incidentally, 854 million".

But to return to climate change, my second point follows on from animal feed: the livestock industry also uses an absolutely huge amount of water. It takes 100 times as much water to produce 1 kg of beef as it does to grow 1 kg of vegetables. That is a particular factor in countries where water is a scarce resource.

The third factor is the amount of fossil fuel energy that the industry uses. It takes 2.2 calories of fossil fuel energy to produce a single calorie of plant protein; four times as much to produce 1 calorie of chicken protein; 17 times as much to produce 1 calorie of pork protein; 50 times as much for 1 calorie of lamb protein; and 54 times as much for 1 calorie of beef protein. Basically, it takes almost 120 calories of energy to produce 1 calorie of beef.

The fourth and possibly most important impact is the amount of land use. It takes almost 21 sq m of land to produce 1 kg of beef, if we factor in animal feed, compared with 0.3 sq m to produce 1 kg of vegetables. Currently, about one third of all arable land in the world is used to produce animal feed crops, and that means deforestation, which releases carbon into the atmosphere. Large swathes of forest are being cleared to provide land to grow soya and grain to feed to cattle.

In the climate change debate, we are all familiar with concerns about biofuels and deforestation, but deforestation for new pasture lands and to create arable land on which to grow animal feed is responsible for about one third of livestock emissions globally. About 100 million tonnes of crops are being diverted to create biofuels this year, but 760 million tonnes are being used to feed animals, so I hope that that puts the issue in some context.

According to Friends of the Earth, which is to be congratulated on its "Food Chain" campaign that examines the environmental footprint of the food that we eat, more than 3,000 square miles of Amazon rainforest were cleared between August 2007 and August 2008. On that trend, cattle and soya production will destroy 40 per cent. of the Amazon in the next 40 years.

A short while ago, I had the pleasure of meeting Father Edilberto Sena, who has been on a crusade since 2001 to stop the world's largest private company, the trans-national grain trader Cargill, from using the vast new port that it has built on the Amazon river to export its soya from Brazil to northern Europe, to supply the intensive meat and dairy industries of Britain, Holland and France. He told MPs about the destruction being wreaked in Brazil and particularly his local community by that growing trade. Almost 80 per cent. of UK soybeans are imported from Brazil, so there is a strong link between meat and dairy consumption in this country and the deforestation of the Amazon.

The fifth impact is emissions. As I have already mentioned, the livestock industry contributes 18 per cent. of global greenhouse gas emissions, including 9 per cent. of global CO_2 emissions, 37 per cent. of methane emissions and 65 per cent. of nitrous oxide emissions.

This is where we reach a fairly delicate subject, which I shall try to treat as delicately as possible. Methane is released by what is politely termed natural livestock emissions—slightly less politely, flatulence, belching and manure produced mainly by cattle. It has about 25 times the greenhouse effect of carbon dioxide, and 1 g of methane produced by a cow's natural emissions therefore warms the planet 20 times as much as 1 g of CO_2 from a car engine.

Livestock is also responsible for most of the world's nitrous oxide emissions, and that is related to fertiliser and muck spreading. Although nitrous oxide represents only a tiny proportion of global greenhouse gases, being about 1,000th of the world's CO_2 emissions, it has a much more powerful effect. It has one of the longest lifetimes of any greenhouse gas, lasting up to 150 years, and it has about 300 times the warming potential of CO_2. There are also other concerns about the environmental impact of the billions of tonnes of waste—unrelated to climate change—that those animals produce. The waste leaches into the water supply and emits 30 million tonnes of ammonia each year, and that translates into 68 per cent. of the emissions that cause acid rain. Pesticides are also an issue.

Those are the concerns, and the issue must be set in the context of the huge increase in the consumption of meat and dairy products over recent years, which has been caused by rising living standards in the developing world and the adoption of western diets, particularly in countries such as India and China. The United Nations report, "Livestock's Long Shadow: Environmental Issues and Options" states that in 2003, on average, India consumed 5 kg of meat per person, the UK consumed 83 kg and the United States 123 kg. However, developing nations are increasing their meat consumption rapidly. In India, it has gone up from 5 kg per person in 2003 to 28 kg in 2007, and in the UK, in the developed world, we eat 50 per cent. more meat than we did in the 1960s. Meat production globally quadrupled between 1961 and 2001, and it is expected to double again by 2050.

Tim Farron (Westmorland and Lonsdale) (LD): The hon. Lady makes a very cogent case on some very important issues. Does she accept that the most significant part of farming's carbon footprint is transport and food miles? Will she acknowledge, among the statistics to which she refers, that over the past 10 years the proportion of meat consumed in the UK that was produced in the UK has gone down by 12 percentage points, from 75 per cent. to 63 per cent? She refers to the fact that much of the rainforest has been destroyed to create pasture land, so that livestock can be reared over there and exported here, so will she not accept that a strong British livestock sector is a powerful way of combating climate change, because it ensures that we reduce the amount of miles involved in getting food from the field to the plate?

Kerry McCarthy: I deliberately have not entered into the food-miles debate, because it is not possible to do so in the time available, but there is another debate to be had about food miles, and I support the idea that, wherever possible, people should buy food that is grown locally. It is complete madness that we import New Zealand lamb, for example, when we can get such meat much closer to home.

On the solutions, I am sure that the Minister will be relieved to hear that I am not suggesting that we must go vegetarian or vegan to save the planet. However, Gidon Eshel and Pamela Martin, researchers from the university of Chicago, said that becoming a vegetarian does more to fight climate change than switching from a gas-guzzler to a hybrid car. The head of the Intergovernmental Panel on Climate Change also said:

"If all families would just have one meatless day a week, this would have the same beneficial effect on greenhouse gas emission as taking almost one million cars off the roads for an entire year."

It would also be equivalent to replacing 1 billion light bulbs with energy saving bulbs.

Dan Rogerson (North Cornwall) (LD): I am grateful to the hon. Lady for giving us the opportunity to hear her arguments and debate the issues. She has concentrated on meat eating, perhaps understandably, and referred to dairy only a few times, but some issues may be there. She has framed the debate about livestock in general, so I should be interested to hear whether she has anything further to say about dairy. In some parts of the developing world, dairy is a stronger part of the diet than meat, because of price. Following the intervention of my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron), I wonder whether the hon. Lady agrees that the debate is not so much about what we eat but where it comes from. On biodiversity in the UK, the livestock sector is keenly involved in maintaining the historic landscape that we all enjoy.

Kerry McCarthy: I have already addressed the point about food miles and the fact that local food is better. I recognise that farming makes a contribution towards biodiversity and protecting the environment in the smaller sense of the word in the UK, rather than in the climate change sense. Although dairy products are to an extent a feature of the diet in developing countries, in Asia and particularly in China, they are not, but they are increasingly becoming a significant part of the diet. So all the points that I have made about animal feed and so on relate to the dairy industry and the growth on that front as well as to the meat industry.

The choice is either to reduce consumption or to try to find ways to tackle the emissions produced by the livestock industry. That is similar to the question in the aviation debate: should people be asked to reduce the number of flights that they take or should technological advances within aviation be considered? The best solution would be a combination of both. But I expect that the Minister will probably focus on the technological advances and how we can reduce the emissions that are created, so I shall make a brief comment on that point.

I draw the Minister's attention to a report from Farming Futures, which is supported by the farming industry, including the National Farmers Union and the Country Land and Business Association. That report suggests that the way forward is to make changes to cows' diets to prevent them producing so much methane, to have anaerobic digestion plants to deal with waste and by optimising fertiliser efficiency to reduce nitrous oxide emissions.

A methane tax was considered in New Zealand, and it was hoped that that would raise $5 million and that the money would be spent on funding research into ways to reduce emissions from livestock. However, that proposal was opposed by farmers and was replaced by a general carbon tax. Researchers in Australia reckoned that reducing emissions from animals by between 20 and 50 per cent. would result in cows producing more milk, because every time a cow releases a natural emission it loses energy. It is bizarre that people do such things for a living and I am not sure how it would be measured, but that example proves that the research is out there and that there are ways of doing that.

Oxfam has put forward a contraction and convergence plan on meat eating, which is similar to the idea of contraction and convergence in respect of broader climate change. The basic premise of that plan is that there should be a sustainable level of meat eating, which would involve those under the limit coming up to it and those above the limit coming down. Oxfam says that to preserve the situation as it is to prevent an increase in emissions but not to reduce them overall, the level would be about 33 kg per person.

Compassion in World Farming has also been campaigning on this issue and has talked about the need to factor it into any international discussions on climate change. Friends of the Earth, as part of their "Food Chain" campaign, has come up with some fairly radical suggestions. It has said that Government should stop subsidising intensive livestock farming and instead invest in research into local feed production, and it is talking about public sector procurement and saying that environmentally damaging food should not be purchased for schools, hospitals, care homes and so on. It also mentions changing global investment policy at the World Bank and the European Bank for Reconstruction and Development and talks about other forms of bilateral finance and ensuring that the issue is addressed in international climate talks.

The key thing is making sure that people are aware. It comes back to the food miles debate. There has been a lot of discussion about how easy it would be to mark the environmental footprint of food. That is difficult, because we are all familiar with the argument that to import something from Africa may result in longer air or freight miles, but that if similar produce were grown in Holland, for example, where artificial lighting, heating and so on have to be used, the environmental footprint could be higher although the number of food miles would be lower. It would be difficult to attach some imprint on to food that gave a clear idea of its environmental footprint, but it is important that we are aware of that and factor it into our discussions.

This is not about finding a back-door way to promote vegetarianism or veganism but about climate change. I had hoped that another hon. Member would call for this debate, which is why, since "Livestock's Long Shadow" was published a couple of years ago, I have been sitting on it hoping that they would do so, but none has, which is why I am here. John Harris, who writes for *The Guardian* and is a long-term vegetarian, said in an excellent piece last year:

"right now, this is actually more about human lives than those of animals".

5.15 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): First and foremost, may I say how delighted I am to see you in the Chair this afternoon, Mr. Benton? Not only is it always a pleasure to see you in the Chair; it is a pleasure to be reassured about the robust state of your health. It is good to see you here.

I congratulate my hon. Friend the Member for Bristol, East (Kerry McCarthy) on securing this debate in the momentary and wonderful lull in the terrible noise from that person across the road. I put it on the record that I regret that I could not properly follow the debate on asbestos led by the hon. Member for Rochdale (Paul Rowen) and the Under-Secretary of State for Children, Schools and Families, my hon. Friend the Member for Portsmouth, North (Sarah McCarthy-Fry), because of the intrusive nature of the noise. I hope that the House

authorities look again at seeing what could be done, particularly in respect of debates in this Chamber because we are much closer to it. People have the right to protest, but we should be able to carry on our business properly.

My hon. Friend the Member for Bristol, East rightly said at the outset that she was a vegan but that that was not the primary reason for calling this debate. It is an important debate in its own right. She has put on the record that she is a vegan, and I respect her views on food, but I have to say that I am not. I suspect that my mum was probably introducing me to meat as a food even before I can remember: she probably fed me home-made shepherd's pie as she was weaning me. All I can say is that I have stuck with it.

Traditionally, here in the UK meat is an important source of protein, iron, calcium, zinc and other vitamins and minerals. I have a lot of sympathy with those who say that there is no such thing as bad food, that it is the diet that we get wrong and that we need a balanced diet and must exercise greater portion control. Delia Smith was arguing for that just the other day and I think that she is right.

My hon. Friend quoted an American who said that, in order to help deal with climate change, it would be better to become vegetarian or vegan than to change from a high-performance car to a hybrid car. I had better get it on the record and say that I am not going to do that either, I am afraid. Having blotted my copybook quite seriously from the outset—

Kerry McCarthy: I should like to put on the record that I drive a Smart car.

Jane Kennedy: Now we have got that clear.

My hon. Friend has raised a pertinent, important and challenging subject not just for the agricultural sector. Climate change is a challenging issue across the British economy, particularly at a time when the economy is under such pressure from other reasons—the global pressures on our economy—that we now know about all too well. We must not be pushed off this important agenda. It is important that we continue to focus on the factors that impact on climate change.

My hon. Friend mentioned the Food Futures report. Another study has estimated that across the European Union, total food consumption and production—not just livestock and meat production—accounts for between 20 and 30 per cent. of our climate change impacts. Our national inventory of greenhouse gas emissions tells us that the whole agriculture sector contributed about 7 per cent. of our total greenhouse gas emissions in 2006. About half that 7 per cent. comes from the livestock sector. Worldwide, as my hon. Friend quoted, livestock accounts for around 18 per cent. of greenhouse gas emissions.

Farming has a unique place in our country's way of life. We often say that farmers are the guardians of the countryside. They are part of our national identity. Perhaps most importantly, they help to feed us. The hon. Member for Westmorland and Lonsdale (Tim Farron) was right to say that the more local food we eat, the better in terms of air miles. Occasionally, however, there are instances such as the recent change in the availability of carrots, when we had to import carrots because of poor weather. I shall say in a moment that farmers are on the front line and are the first to be affected by climate change. A balance must be struck to ensure that growth and production are sustainable not only in tackling climate change, but in the circumstances facing all sectors of British business, particularly farming, which is my Government responsibility. Farming is on the front line and is the first to feel the effects.

Climate change is one of the most important challenges facing us. The Climate Change Act 2008 commits us to an 80 per cent. reduction in all greenhouse gases by 2050. That is a challenging target, but all sectors of the economy, including the livestock sectors, must play a part in helping to meet the target. Some progress has been made, and between 1990 and 2006 emissions from the livestock sector declined by 18 per cent. due to a decline in emissions from enteric fermentation, agricultural waste disposal and agricultural soils. There is a risk that reducing direct emissions from agriculture could reduce UK production, with a resulting increase in food imports, thereby simply exporting our emissions and perhaps even increasing them. We are aware of that risk, and we want to ensure that UK agriculture improves its environmental impact without becoming less productive. We must assess the full impact of any measures to reduce emissions, to ensure that we do not simply export the problem and that action to reduce greenhouse gases does not conflict with other environmental goals.

Tim Farron: Does the Minister accept that most land used for livestock farming at the moment is unusable for other farming purposes, such as crops, and that much farm land, particularly in the uplands, is vital to carbon sequestration and fighting climate change from that angle? Furthermore, with £10.2 billion of food being wasted in the UK every year, does she accept that now is the time for serious investment in anaerobic digestion, as the hon. Member for Bristol, East said, to help farmers tackle climate change?

Jane Kennedy: I entirely agree with the hon. Gentleman. It is scary to be in such close agreement with him, but I am. I also agree with his point about anaerobic digestion, and I shall come to that in a moment if I have time.

Emissions from the livestock sector have declined by 18 per cent. and are projected to continue to fall to 32 per cent. below 1990 levels by 2010, which is real and significant progress, but after 2010 they are projected to rise again, so there is urgent need for action, and that is true of all sectors of the economy. In taking forward solutions to these issues, the Government must work in close partnership with the industry. DEFRA is already working collaboratively with the dairy supply chain through the road map process to reduce the environmental impact of milk production and consumption in the UK. The road map includes some important action for the entire supply chain, including challenging targets on the reduction of greenhouse gas balance from dairy farms, as well as setting targets to reduce water usage and to improve waste disposal.

The meat industry is working on a similar road map for meat production. Helping all sectors of the economy to address climate change is a key priority for the Government. We fully recognise the challenges associated with tackling greenhouse gas emissions from the livestock sector as part of maintaining a sustainable and viable

[Jane Kennedy]

industry. Our agriculture and climate change work stream under the Farming Futures programmes—my hon. Friend will know about them—aims to address the challenges associated with tackling greenhouse gas emissions from the livestock sector and agriculture as a whole.

We continue to work directly with the sector to ensure that farmers are fully aware of the effects of climate change, and are well equipped to change their practices to reduce emissions and make their businesses more resilient to the impact of climate change. We are doing that through our rural climate change forum, our high-level stakeholder group, which provides valuable advice on policy, research and communications for climate change and land management. All the major stakeholders in the farming, forestry and land management sectors are represented on that group.

We understand how important it is for farmers to have easily accessible information on climate change, and we have funded the Farming Futures communications project since 2006 to provide farmers with practical advice on the impact of climate change and on how to take action to reduce their greenhouse gas emissions. The project has produced a series of fact sheets and case studies, including some on reducing emissions from the livestock sector. In addition, a series of regional workshops for farmers has been held.

We are mindful that our 80 per cent. emissions reduction target is ambitious, and the unique nature of the agricultural sector makes it even more challenging for it fully to play its part. The Committee on Climate Change has recently identified the technical abatement potential for the agriculture, forestry and land management sectors, and we are working with the Committee, the rural climate change forum and other stakeholders to develop the policy framework that we will need to have in place to ensure that those identified savings are realised.

It is important to note that some measures to tackle climate change in this sector provide real benefits not just for climate change, but for other environmental objectives, such as biodiversity and water, soil and air quality. Anaerobic digestion is a subject that we could spend all day discussing. It is a good example of win-win technology, and we are driving it forward. It could help to reduce greenhouse gas emissions from the use of manures, slurries and other organic matter, such as food waste. Some innovative ideas are emerging on how to turn food waste from supermarkets to good use—

5.27 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Thursday 26 March 2009

[Sir Nicholas Winterton *in the Chair*]

Arms Export Controls

[Relevant documents: First Joint Report from the Committee on Arms Export Controls, Session 2007-08, HC 254, on Scrutiny of Arms Export Controls (2008): UK Strategic Export Controls Annual Report 2006, Quarterly Reports for 2007, Licensing Policy and Review of Export Control Legislation, and the Government's response, Cm 7485; and the Minutes of Evidence taken before the Business and Enterprise, Defence, Foreign Affairs and International Development Committees on 21 January 2009, HC 178-i, and 11 March 2009, HC 178-ii, on Strategic Export Controls.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Helen Jones.)*

2.30 pm

Sir Nicholas Winterton (in the Chair): I have pleasure in calling the Chairman of the important Committee on Arms Export Controls, Dr. Roger Berry.

Roger Berry (Kingswood) (Lab): It is a great pleasure to introduce this debate. Thank you, Sir Nicholas, for your very kind comments. It is a pleasure for all of us to participate with your good self in the Chair.

Considering the report on arms export controls and the Government's reply is an annual event. I should like to thank all my colleagues who serve on the departmental Select Committees for again producing a unanimous report. As I have said before, we are four Select Committees sitting simultaneously, and we are just about quorate most of the time. It is no mean achievement that we arrive at unanimous reports on a controversial set of issues, and that is a tribute to all who serve on the Committees.

I should also like to thank the staff of the four Select Committees, our Clerks and the officials of the Government Departments who have had the pleasure of responding to our questions. I thank all those who have given written evidence to the Committee and appeared before us as witnesses. The report of the inquiry that is before us today had the benefit of input from a number of witnesses. The former Secretary of State for Defence, my right hon. Friend the Member for Kilmarnock and—[Hon. Members: "Somewhere nearby."] I guessed that it might be somewhere nearby Kilmarnock, but I had forgotten precisely where—no offence to those who live near Kilmarnock.

Thanks go to my right hon. Friend the Member for Kilmarnock and Loudoun (Des Browne) and the officials from the Ministry of Defence who came along with him. My right hon. Friend the Member for Croydon, North (Malcolm Wicks), when he was Minister for Energy, also had responsibility for export controls, and I thank him and the officials of the Department for Business, Enterprise and Regulatory Reform for being witnesses.

I should also like to thank defence manufacturers, such as the Export Group for Aerospace and Defence, and the UK working group, which is the non-governmental organisation that represents Oxfam, Amnesty International and Saferworld. For this report, we heard oral evidence from representatives of Transparency International because we were considering issues of bribery and corruption. Moreover, I am pleased to record that my hon. Friend the Minister gave evidence to our Committee in January. Although we heard that evidence after the report had been published, it was important none the less. I am grateful for that and delighted that he is here to reply to the debate.

Although I am clearly partisan in a party political sense, I am not being partisan when I say, on behalf of the Committees, that we all recognise that the Government have made substantial progress in relation to arms export controls over the years. We greatly value the regular reports that we now receive, the greater transparency and accountability that they provide, and the Government's leadership on the whole process to secure an effective arms trade treaty and a convention on banning cluster munitions.

In the past, I have had one or two disagreements with Ministers on their reluctance to ban cluster munitions. I am delighted, however, by the recent decision to ban unilaterally the use of cluster munitions. Since that time, the UK has played a leading role in securing an effective convention, which we hope will be properly implemented. Therefore, there is a whole range of issues on which the Committees would wish to congratulate the Government.

However, the benefit of these debates is not derived from people such as me singing the Government's praises. I have spent five minutes doing that, so I would like to spend the rest of the two hours and 55 minutes of debate identifying issues on which further progress can be made. I hasten to say, Sir Nicholas, that I will not personally take up all the remaining time. We have a fair bit of time to allow all hon. Members to contribute, as I hope that they will.

There are a number of ongoing areas on which the Committees' view is different from the Government's.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): Does not the hon. Gentleman think that it is unsatisfactory that the Government response to the previous 2007 report was not received in time to be included in the response in 2008? He has just referred to the Minister's important evidence to the Committee in January 2009, which dealt with Gaza and other such matters, but that could not possibly have been included in the report. Does he not feel that this highly important debate is far too historical, and does he not think that there should be a mechanism to bring the whole process much more up to date?

Roger Berry: The hon. Gentleman raises an important point, but it is not the fault of the Government. We have this debate annually. We tend to publish our report in July and the Government respond. Usually, at the end of March—it was 27 March last year—we have a debate in this place. Unfortunately, it is inevitable that the debate takes place some time after the publication of both the Committee's report and the Government's response. Unless we have more debates on arms export

[Roger Berry]

controls in the House—I think that we should—it will be difficult to determine a way of overcoming that problem. Perhaps I can offer the hon. Gentleman some encouragement. I intend to refer to several issues that cropped up during the recent evidence session with the Minister, which I am sure will be entirely in order because they relate to arms export controls. I do not think that any of us are precluded from raising more recent events in the debate.

Sir Nicholas Winterton (in the Chair): Order. I assume that the Chairman of the Committee will use his discretion when referring to matters that are not contained in the reports under debate. However, I am disposed to use my discretion this afternoon.

Roger Berry: As always, I am extremely grateful to you, Sir Nicholas.

Let me start with a few comments about the perennial issues of brokering, trafficking and extraterritoriality. Over the years, the Government have introduced extraterritorial controls in relation to brokering and trafficking. The Government say that the purpose of that is

"to ensure that unscrupulous traders cannot pursue deals that concern the UK simply by carrying out the business from another country."

That is an excellent summary of why it is necessary to have extraterritorial controls over arms dealings by UK persons abroad. The Export Control Act 2002, which came into operation in 2004, regulates, for the first time, UK persons abroad when they trade in missiles with a range of more than 300 km—they are usually referred to as long-range missiles—and torture equipment, or when they trade to an embargoed destination.

Following the recent review of the arms export control regime, the structure for regulating brokering has extended extraterritorial controls to small arms, cluster munitions and man-portable air defence systems, or MANPADS. The Committees warmly welcome that decision. I, like others, have said on many occasions that the omission of small arms from the 2002 legislation was unfortunate, to put it mildly. It bears repeating that small arms are the current weapons of mass destruction. They kill a man, woman or child every minute—half a million people on this planet every year. The Committees and I welcome the fact that the Government have finally accepted our recommendation and that small arms, cluster munitions and MANPADS are now covered by extraterritorial controls. The Government deserve congratulations on that.

Mr. David Drew (Stroud) (Lab/Co-op): I apologise for missing the first few minutes of my hon. Friend's remarks. Has the Committee looked into what advice is given to high commissions and embassies on being proactive so that if anyone is dealing extraterritorially, they can find out about it through due investigation and have the means to take actions?

Roger Berry: The Committees have repeatedly expressed concern about end-use controls, about which I shall say more in a moment. It is essential that our missions overseas monitor what is going on in the arms trade, and specifically what is going on with British arms exports. Obviously, the Minister can speak about this himself. There is no question but that the Government do some of that, but there is an issue about whether the monitoring is sufficient.

John Bercow (Buckingham) (Con): The hon. Gentleman will recall that when giving evidence, the Minister referred us to ongoing discussions between non-governmental organisations and defence manufacturers about category B issues. On the subject of the possibility of a register of brokers, does the hon. Gentleman recall that we pressed Ministers for a conclusion to the work undertaken since 2007? I suggested that it was being farmed out into the long grass, and the Minister said that it was important not to make a hasty decision, of which I assured him he was in no danger.

Roger Berry: I recall that conversation. The Committees have again recommended that there should be a register. I, too, look forward to the Minister's response on that issue later in the debate, as it is important.

Given that the Government have progressively extended extraterritorial controls, the obvious question is why they do not extend such controls to cover trade in all items on the military list. For a long time—I cannot remember how many years—the Committees have argued that the logical solution to the Government's recognition that there is a problem is to have full extraterritorial controls over all items on the military list. Those of us who can recall the Labour party's 2001 manifesto read it to mean that—sort of. However, I have quoted that in previous years, so I will not do so again today. I merely note that if there is a problem with people avoiding UK domestic legislation by simply popping overseas, or doing deals overseas indirectly through brokering and trafficking arrangements, that loophole needs to be closed.

We have recommended that all military items should be covered. As the hon. Member for Buckingham (John Bercow) rightly said, the Government have responded by saying that discussions are ongoing between NGOs and defence manufacturers. I echo his comments: when do the Government expect to hear the outcome of those discussions? Are they planning for the extraterritorial controls at least to include anti-vehicle land mines, and if not, why not? Finally, to summarise the point, having been persuaded to move so far, why on earth do the Government not simply legislate for full extraterritorial controls over goods on the military list? Can the Minister advise us on any progress made to analyse the merits of a register of brokers, which the Government seem to have recognised in numerous comments?

On end-use monitoring, I always remind myself that the only thing that really matters in the arms trade is the end use. It is simply about ensuring that whoever ends up with UK arms exports does not use them to abuse human rights through external aggression or internal repression. It is the ultimate end use that matters. How the arms get there, and through which countries they might be transhipped, are issues that help us understand how the end user gets them, but the bottom line is that when answering the question of whether an export licence should be granted for a particular set of equipment, the answer depends on knowing the end use. Enforcing policy on the arms trade must be all about ensuring that

what we are told about the end use is correct and, if not, making sure that sanctions can be applied to put it right or to ensure that we are not deceived again.

End use is what it is all about, which is why the Committees have argued for many years that end-use monitoring is necessary. We welcome the Government's intention to introduce some end-use controls through the European Union. In their response to our report, the Government promised an update on EU action on the issue by the end of 2009. They also promised to seek unilateral action if the EU route proved unpromising. In January, we were advised that there was some movement, but that it was slow. What progress has been made in discussions on end-use controls within the European Union, and how long will the Government wait before beginning unilateral action?

Mr. Clifton-Brown: The hon. Gentleman is being generous with his time and is giving a clear and erudite account of his report. Does he agree that monitoring is best done by those with specialist knowledge, and that it is therefore regrettable that cuts in the number of military attachés are taking place around the world? Does he not also think that military attachés ought to have a more formal role not only in monitoring but in commenting on whether an arms licence should be given for a particular piece of equipment?

Roger Berry: Unlike the hon. Gentleman, I can argue in support of more public spending, because I believe in a fiscal boost. He has a slight problem in arguing for reductions in spending. However, leaving the macro-economics aside, it is obviously necessary, if we are to have proper end-use monitoring, to have the proper resources. There are circumstances in which a more careful examination of end use is necessary. In a moment, I shall say a few words about arms exports to Israel, which spring to mind as an area where the end use of certain exports is sometimes not entirely clear. The resources must be there; it is an important point.

One particular end use issue is re-export—for instance, where a licence is granted for the export of UK arms to country A, and country A re-exports to country B without telling us. The end-use certificate says that the arms are going to country A; everyone says that they are going to country A, but nobody tells us that they might be re-exported. We do all the checks and, in good faith, the arms go to country A.

What happens if country A exports the arms to country B? What happens if country B is subject to a UN or EU arms embargo? We discussed a case last year, which is referred to in the previous report. The issue is the same. Maritime patrol aircraft were exported to India and the press started running stories that India was going to export them to Burma. One of our witnesses was the then Foreign Secretary, my right hon. Friend the Member for Derby, South (Margaret Beckett). We asked her whether the export licence should have included a clause saying that arms could not be re-exported to a country subject to an EU or UN arms embargo. She responded:

> "With the benefit of hindsight, I suppose one could say it might have been desirable."

I agree with that, and the Committees believe that it would be desirable for the re-exporting issue to be taken extremely seriously.

I repeat that I acknowledge that at the licensing stage, officials are scrupulous in trying to ensure that the information is accurate. If an export licence is granted for country A, they make sure that the arms go to country A. However, one would need foresight beyond our capabilities to say, "I know that there is absolutely no risk of re-export". When aircraft were exported to India, I do not believe that we knew that there were people contemplating re-exporting them to the Government of Burma. That could not have been known, and I suspect that if it had been, we would not have granted the licence.

John Bercow Will the hon. Gentleman give way?

Roger Berry: Of course. I thought that the issue of Burma might encourage the hon. Gentleman.

John Bercow: It has done. I rarely disagree with the hon. Gentleman on these matters, but I think that he errs on the side of generosity towards the powers that be, and I caution him against the development of such a tendency. Off the top of my head, I suggest that one would have good grounds for suspicion in relation to India. India has a long, undistinguished and ignoble track record of heavy arms sales to Burma, and it seems keen not to be outdone on the commercial front by China. We must be very careful.

Roger Berry: I am extremely grateful for that intervention. I withdraw my comment without reservation. The hon. Gentleman is right. India does have form in relation to Burma, and I have been far too kind to the Government. I hope that the record will be corrected by my comments.

When we have raised the issue of re-exports in the past, the obvious retort is, "What would this measure actually do?" At the least, it would send a signal that we do not want British arms to be re-exported to countries that are subject to an arms embargo. Furthermore, future export licence applications from country A would be in jeopardy if they went against our contractual wishes on re-exporting. Other countries add re-export clauses to their export licences, and there is a clear moral argument for doing so. Given all the challenges facing arms export control, sticking in a re-export clause cannot be the most difficult. Will the Government consider the proposal again, and not dismiss it as they have done in the past?

Lembit Öpik (Montgomeryshire) (LD): I agree with the hon. Gentleman's request for the inclusion of re-export clauses. It is beyond me why the Government will not simply accept that as a matter of course. Perhaps the more fundamental issue is enforcement. One can easily see if an aircraft has been moved, but with smaller arms and military hardware and software of a less observable nature, it is probable that unscrupulous states will make promises and completely ignore them. Unless we have an enormous infrastructure, we will not be able to track those with nefarious intentions.

Roger Berry: There are laws, both domestic laws and laws with extraterritorial implications—on sex trafficking for example—that we know are difficult to enforce. We legislate because we believe that we have a responsibility to say, "This should not be done, we do not approve. It will be a criminal offence if we catch you doing it."

[Roger Berry]

Suppose we grant a major export licence to India, for example—I am sorry, I do not want to pick on India—which involves aeroplanes going to a particular country. There could be a clause stating that those aeroplanes, or other military equipment, cannot be re-exported to an embargo destination. If that country re-exports, we can say, "We don't trust you. In future, we will grant no more licences." Sanctions can be applied. In such cases, it will be clear what is going on, although in other cases it might be more difficult.

Lembit Öpik: I do not want to detain the hon. Gentleman long—I agree with him. My issue is really for the Minister. It seems self-evident that we should make the changes that have been suggested, but the challenge for the Government will still be one of enforcement. That will be straightforward with large, heavyweight hardware. In his summation, I would be interested to hear the Minister's comments on the hon. Gentleman's proposal, and on whether the Government have thought about enforcement and how we can ensure that subterfuge and illicit trading are prevented.

Roger Berry: We all want to hear the Minister, and there will be plenty of time for interventions. There are other hon. Members and right hon. Members who wish to speak, so I will move on to one or two final topics before I sit down.

For many years, the Committees have expressed concern about the export of arms to Israel that might be used in the occupied Palestinian territories. That subject took up a large part of the evidence-taking session that we had in January with the Minister, and a more recent evidence-taking session with a number of NGOs and defence manufacturers. Given recent events in Gaza, it is hardly surprising that a number of hon. Members might wish to raise that matter this afternoon.

For some time, Government policy has been that export licences for arms exports to Israel should be refused if there is a risk of the items being deployed aggressively in the occupied territories. Such licences are judged on a case-by-case basis, but the Government have made it clear that arms export licences will be granted to Israel only if there is no significant risk of their being used aggressively in the occupied territories.

In 2002, the Government announced their policy on incorporation, which the Committees felt was a breach of that principled policy. Specifically, it allowed the export of head-up display units manufactured in the UK to the US for incorporation in F-16 fighter jets, which are known to be exported to Israel. In 2006, the British Embassy in Tel Aviv confirmed that F-16s had been used offensively in Lebanon and Gaza. More recently, there have been extensive reports that F-16s were used in the recent offensive against Gaza. F-16s are particularly good at precise targeting because of the quality of their head-up display units.

We criticised the announcement made by the Foreign Secretary in 2002 that head-up display units and similar incorporated items could be exported to the US without serious questions being asked about the ultimate end use. When we made that criticism, we were told that the importance of the UK's trade relationship with the United States outweighed the consolidated arms export criteria on human rights and regional stability—so we had to overlook it because of our special relationship with the United States.

When the Minister was questioned on 21 January, he told the Committees that it was not yet known whether F-16s taking part in the most recent assault on Gaza had UK head-up display components. I think that the Foreign Affairs Committee was told, on 4 March, that an assessment of that was under way. Will the Minister tell us when the assessment is expected to be finalised and laid before Parliament? When will we know whether the F-16s that took part in the most recent assault in Gaza had UK-manufactured head-up display units incorporated in them?

In his letter of 19 February to our Committees, the Minister said that, at that evidence session,

> "I stated, on the basis of the advice that I had received, that no export licences for F-16 Head-Up Display (HUD) equipment to Israel had been granted since 2002…While this is correct, I would like to clarify that this refers to licences for the export of F-16 HUD components direct…to Israel, for use in Israel. Since that date there have been a small number of licences granted for these goods where although not going direct to Israel, we were aware that Israel was the ultimate end-user".

Will the Minister confirm that, following the policy change in 2002, the Government have no means of preventing Israel from using F-16s incorporated with UK-manufactured head-up display units aggressively in the occupied territories? Will he confirm, so that it is absolutely clear, that licences for the export of head-up display units have been granted in the full knowledge that Israel would be the ultimate end user?

Mr. Gordon Prentice (Pendle) (Lab): I have a briefing from Campaign Against Arms Trade that touches on the point that my Friend just made about the F-16 fighter aircraft, but it also mentions the Apache helicopter. It asserts that those helicopters

> "have contained UK manufactured components including missile triggering systems".

Does he know whether Apache helicopters were used in the Israeli assault on Gaza in December?

Roger Berry: I can confirm only that I have read that in press reports, so the Minister might be the best person to answer the factual question. I picked F-16s because of their unique role in conflict in the middle east, but I could equally have selected Apaches. I have read in the press that Apaches were used—no doubt the Minister will respond to that point.

On direct exports to Israel, the Minister said, in the 21 January evidence session, that the Government would not issue a licence where they had human rights or other concerns under the consolidated criteria. He also said that it was not clear which equipment had been used in the recent conflict, and that that was being investigated. Will the Minister advise the House as to the outcome of that investigation?

Let me speak personally on this issue. I have heard similar sentiments to mine expressed by other members of the Committee, but this is not the Committee's policy. I have always had some difficulty in understanding the practice of UK policy on this issue. Leaving the incorporation issue aside, the policy has been that licences would not be granted for arms export sales to Israel if there was a risk that they would be used in the occupied

territories. We all know the UK Government's position on the legal status in the middle east, so it is hardly surprising that that would be a desirable thing to do, but I have never understood how that policy works in practice. Do the Israel defence forces have one stash of weapons with a Union Jack on it, which it they have been told they cannot use in the occupied territories, and another stash that they can use in Gaza, the west bank and east Jerusalem? I genuinely do not understand how that works.

There is another issue that I do not understand. Like everyone else in the Chamber, I am sure, I condemn violence unequivocally. One reason why I wanted to be a member of the Committee when it was set up is that I believe that conflict represents the failure of diplomacy, as the cliché goes. I think that we should try to resolve conflicts without violence wherever humanly possible, and that we should certainly try to control the arms trade to ensure that arms do not get into the wrong hands. I passionately believe that it is deplorable that Hamas sends rockets into Israel, and I believe that Israel's armed intervention in the occupied territories, some of which I have seen, is equally deplorable. I am even-handed on this issue, but our policy on arms exports and embargoes is not even-handed. On one hand, we have Israel, the most powerful military state in the middle east, being in breach of countless United Nations resolutions and in illegal occupation of much of the middle east, but there is no arms embargo on it. On the other hand, there is an arms embargo on Hamas. I am not a defender of either side; I simply make the observation that it is extraordinary that there is no such arms embargo, given the conflict over the years and certainly the recent conflict in Gaza. Why is that?

There was an announcement that the UK Government would do all that they could to prevent arms from getting into Gaza. That is fine, but there was no announcement at the same time that there would be an embargo on arms sales to Israel. I find that double standard difficult to comprehend, and it prompts me to ask what Israel would have to do in the middle east to qualify for an arms embargo. I do not raise this issue flippantly, and I do not believe that my view will command universal support. Indeed, I have been verbally abused by otherwise reasonable people for expressing such views. I am simply asking why there is that double standard in arms export control policy in the middle east. That question deserves an answer.

Finally, let me address the happier topic of the international arms trade treaty. Our report concluded that the Government were to be commended for and supported in their efforts to achieve a comprehensive and effective international arms trade treaty. In December, a large majority of Governments voted in favour of a UN General Assembly resolution to establish an open-ended working group on such a treaty. The only state to vote against the resolution was the United States, but perhaps it will change its view in a few months. I hope that it does. Of course, there were also a number of abstentions. Non-governmental organisations were adamant, in their evidence to the Committees, that if the scope of the treaty was not wide enough, the UK should not be a signatory to it. I have two questions for the Minister on that. First, what took place at the first open-ended working group on the treaty? Secondly, does he share the NGOs' concerns about its scope?

There are many other topics that I could discuss, such as bribery and corruption, but in fairness to colleagues who wish to speak, and to give the Minister plenty of time to respond to the long list of questions that is building up, I shall conclude. I reiterate that the Committees believe that the Government have made substantial progress in recent years on controlling UK arms exports, and that we are pleased that they have accepted a number of our recommendations. We recognise that they have also disagreed with a number of recommendations, but honest people may have different views.

However, we have real concerns about the issues that I have raised in the past half an hour and the issues that colleagues will raise. We want further progress to be made on extraterritorial controls, which should be a simple matter. We also want the Government to do their level best to ensure that the re-exporting of UK arms does not continue to be a problem. All of us, whatever our views on arms sales to Israel, would also desperately like to know what the Government's policy on the issue is. There are therefore big issues to consider further, and I am grateful that the Minister is here to respond to all our questions.

3.10 pm

Sir John Stanley (Tonbridge and Malling) (Con): I am pleased to follow the hon. Member for Kingswood (Roger Berry), who chaired the four Committees with great diligence and effectiveness during their consideration of the reports.

At the Committees' evidence session on 11 March, we took evidence from non-governmental organisations such as Amnesty International, Oxfam and Saferworld. I asked whether they could cite specific examples of UK arms exports that had breached the EU consolidated criteria, and I was supported in that by my hon. Friend the Member for Buckingham (John Bercow). At the time, the NGOs were unable to come up with specific examples, with the exception of Israel, to which I shall come. They said that they would like to go away and reflect further, and as of today's debate, we have not heard further from them. I would therefore conclude that, in broad terms, and with some exceptions to which I shall come, the British Government are in pretty full compliance with the terms of the EU consolidated criteria. However, there are three areas of policy that need further careful consideration by the Government. One is components, and the remaining two relate to two particular countries, to which I shall come.

On components, the Government need to carry out a serious review of their present policy and particularly of whether it complies with the EU consolidated criteria. In the Committees' evidence session with the Minister, I specifically raised with him the issue of the head-up displays and the F-16s and I asked whether there was any evidence that they had been used in the recent operations in Gaza. There is also the issue of Apache helicopters, which the hon. Member for Pendle (Mr. Prentice) raised in an intervention. Equally, there is the issue of whether British components have been incorporated in unmanned airborne vehicles—UAVs. There are a number of other examples of British components ending up in other countries' complete weapons systems, and of those systems in turn ending up in undesirable hands.

[Sir John Stanley]

I certainly recognise that this is a significant and difficult policy issue for the Government. Many British companies that employ considerable numbers of people and transact high-value business manufacture components for weapons systems. At the same time, however, it can make no sense and is, indeed, of dubious ethics to have an arms export policy that prohibits a complete weapons system from going to a particular destination, but which is so leaky that components for that same weapons system can go into similar or identical weapons systems in another country and then end up in a destination prohibited by the Government. I hope that the Minister will agree that that is an unacceptable position to get into, although it is precisely the position that the Government are now in in some areas. In his reply to the debate, will the Minister therefore give us an undertaking that the Government will carry out a full review of their arms export policy in relation to components for weapons systems on the military list of the EU consolidated criteria?

I hope that the Minister will be able, in due course, to reply fully and frankly in an entirely open policy statement. I use the phrase "entirely open" deliberately. Following the Minister's evidence session in front of the four Committees, he wrote the letter of 19 February 2009, to which the Chairman of the Committees referred. Although our Chairman quoted from that letter, the Minister and his Department had classified it as restricted. Having read the letter in full, however, I consider that classification wholly unnecessary, because there is nothing whatever in it that could not perfectly well be put in the public domain, although the terms of the letter might cause the Government limited embarrassment. I consider that the word "restricted" was put on the letter solely to gag the members of the Committee and to prevent them from making it public. I hope that the Minister will reflect on that. When he returns to the issue of components, therefore, I hope that he will address it in full and detailed terms and in a fully public way.

Roger Berry: I agree with the right hon. Gentleman. I gave that quote knowing that it had subsequently been derestricted, and I make that clear so that no one thinks that I actually read from a restricted document. However, he makes a good point when he asks why the document was restricted in the first place.

Sir John Stanley: I am grateful to the hon. Gentleman. His intervention is entirely correct. I have discussed the issue with the Clerk of the Committees, and the current position is very unsatisfactory. We are having this debate while discussions are taking place between the Clerk of the Committees and the Minister's officials as to which bits of the letter are declassified and which are not. That is a profoundly unsatisfactory position to be in.

John Bercow: Obviously, the Secretary of State in any Department is ultimately responsible for all that happens or fails to happen in it. It would be a matter of some interest to establish when the decision on the restricted status was made and by whom. Did the Minister make it or was he acting under orders? We really need to be told.

Sir John Stanley: I am sure that the Minister who is replying to the debate has heard what my hon. Friend said.

I turn now to the two countries to which I want to refer. The first is China. I have been going through with considerable interest a very useful report entitled "Good Conduct? Ten years of the EU Code of Conduct on Arms Exports", which was produced by a variety of EU NGOs in June 2008. The report states that in the five-year period 2002 to 2006, the UK received approval for licences to export military equipment to China valued at just over €450 million. That represents a substantial element of arms export business. That value of that business must, I believe, be set alongside China's performance on human rights. I shall not go into that in detail, because all hon. Members present will be familiar with China's human rights record, but I shall clarify one area: the Chinese record on capital punishment.

As hon. Members may have seen, Amnesty International has recently produced a further, updated report on the matter, and it was covered in detail in *The Independent* on 24 March. The newspaper report stated:

"Death sentences handed down by China for crimes including tax evasion and bag-snatching represented three-quarters of the 2,390 executions carried out around the world, up from 1,252 in 2007."

Elsewhere in the two-page spread is a picture of a rather attractive tourist-type posh bus. When one looks at it more closely, the bus is distinctly more sinister. The report about the bus states:

"China is innovating in the market of death with a fleet of execution buses in which convicts are efficiently and cleanly put to death by lethal injection.

The mobile death chamber means executions can be ordered and carried out by courts in towns and villages around a particular province, with executioners and medical staff shuttling between different jurisdictions. Authorities say the initiative is a deterrent against crime."

The report continues with a quotation:

"'First we established there was a demand for execution vehicles. Then we designed the vehicles and applied to the government for certification. This procedure is a must,' said Mr Zhang, from the marketing department of Jinguan Auto".

It concludes:

"The makers of the van say sales are steady, and urge any foreign governments interested to get in touch."

I fear that around the world there will be Governments who think that a death bus is an important item of public expenditure for their regime, and that they will make purchases.

If the record of China on human rights internally is put alongside its systematic, ruthless and continuing denial of human rights in Tibet, its continuing threatening posture towards Taiwan and the close interest that it now takes in its near neighbour Nepal, which itself has a Maoist-led coalition, the British Government need to look closely at the question whether we should be doing hundreds of millions of euros of arms-export business with China. I urge the Minister to review policy in that area.

Last week I went with members of the Select Committee on Foreign Affairs to Israel and the occupied territories and Gaza. I want to tell the House what I saw with my own eyes in Gaza. I want to make it clear at the outset, as I have done every time I have spoken on this subject, that I condemn absolutely and unreservedly the sending

of rockets by Hamas into Israel. We started at a hospital in the centre of Gaza City. It was burnt out, through the use of phosphorous munitions. It was not possible to tell whether, or to find anyone who would say whether, there were any Hamas fighters in the hospital. I have no grounds for believing that there were any, but equally I cannot say absolutely that there were not. However, there could not be any conceivable justification for burning out an entire hospital on the ground that one or two Hamas fighters, or a small group of them, were in the vicinity, or possibly on the roof of the hospital.

We then went to one of the two very large Commonwealth war grave cemeteries in Gaza. In the cemetery, which has 4,000 headstones, we met the splendid Palestinian gentleman who is in charge of it and keeps it immaculately. He came to meet us in his suit and tie, wearing his decoration, an honorary MBE. He showed us the 300 headstones that had been destroyed or seriously scarred, which will all now have to be replaced. He also showed us, a considerable distance away, the Israeli tank firing-points from which shells had come into the cemetery. I asked him whether any Hamas fighters had been in the cemetery at any point, to which he replied, "Absolutely not."

We went to a relief distribution centre, run by Islamic Relief—a very good charity among the Islamic countries—and funded by the Department for International Development. It distributed food, tents, kitchen equipment, sanitary items and so on. I had heard and read about—and hon. Members will have seen in the press—the extent to which the Israelis targeted food production and Palestinian farms during the recent offensive. I met a Palestinian farmer who told me his farm had been destroyed; his orange trees had been smashed. He told me it would take at least 10 years to replant those orange trees and bring them to maturity for fruit. I asked him, "Were there any Hamas fighters in your farm?" He said, "Absolutely not."

Then, perhaps most disturbingly of all, we went to one of the largest industrial estates in Gaza. If there had been Hamas fighters there one might, yes, have expected one or two of the factories and warehouses to be destroyed, and a few others to be damaged. It was a huge estate, providing employment opportunities and income to what must have been many thousands of people. It had been flattened. Not a single building was standing. It had been destroyed, brought down to the ground, for as far as one could see. It was a horrendous sight. I came away with only one conclusion. The engagement was not military to military, with armed people on either side engaging each other. It was an engagement about collective punishment, and that is what has been inflicted on Gaza.

That brings me to my next point, about an interesting and important piece of information given to me about the rules of engagement under which the Israelis operated during the recent Gaza conflict. I was told on very high authority, completely independently and not by Palestinian or Israeli sources, that in the rules of engagement—I have not had sight of them, which is not surprising, as they are highly classified—the members of the Israeli defence forces were told that above all else they must avoid being captured.

Hon. Members will know the extent to which Israel is transfixed by the Corporal Shalit case. Corporal Shalit was kidnapped and is still a hostage. He has been a hostage for three years. Indeed, outside the Prime Minister's house in Jerusalem we saw the demonstrations and the tents of the people there who are calling for Corporal Shalit's release.

If someone's rules of engagement include an overriding requirement that they should under no circumstances allow themselves to get captured, an absolutely certain military consequence is that the fire positions in which they engage will be of a stand-off nature and will be at a considerable distance. Indeed, I was told that the vast majority of the IDF forces that were engaged did not at any point see a Hamas fighter. If someone engages at a great distance, they can also be certain that they will maximise civilian casualties.

So, I ask the Minister to consider what happened in southern Lebanon three years ago, when, as he knows, a vast number of cluster munitions were sown over the whole of southern Lebanon—including in the civilian areas—in the 72 hours after the ceasefire had been agreed and before it came into effect. He should also consider the degree of destruction of Gaza, where there were nearly 1,500 civilian casualties—including hundreds of women and children. Against that background and the background of what I have said about the rules of engagement, which are likely to be the same in any future conflict and are likely to lead to a high level of civilian casualties, the Minister and his colleagues must look extraordinary closely at the compliance by the British Government in respect of weapons systems and the components of weapons systems sold to Israel—either directly or indirectly—in relation to the EU combined code.

Mr. Prentice: The Gaza strip is twice the size of my Pendle constituency, but it has a population 17 times as large. I think that the right hon. Gentleman is saying that it is impossible for the military to strike surgically in the circumstances to which he has referred. Is he also telling us that he believes that Israel committed war crimes during the attack in December because civilians would inevitably be caught up in the fighting in the way that he describes?

Sir John Stanley: The hon. Gentleman is asking about an issue that can only be adjudicated on in a court of law, but he will know that I am not a court of law. What I am saying is that the way in which the operation was conducted and what I was told were the rules of engagement made it, I believe, certain that significant numbers of civilians would lose their lives—and they did.

I come to the criteria in the combined code, which is the basic policy framework for the Government. Will the Minister carry out a review of arms exports to Israel? In doing so, will he look closely at two criteria in particular and say whether the British Government are compliant? I refer him to criterion 2 (c), which states that member states shall

"deny an export licence if there is clear risk that the military technology or equipment to be exported might be used in commission of serious violations of international humanitarian law."

I also ask him to look at the Government's policy in relation to the whole of criterion 7, which states:

"Existence of a risk that the military technology or equipment will be diverted within the buyer country or re-exported under undesirable conditions."

[Sir John Stanley]

Those are two absolutely key criteria against which the Minister should evaluate the Government's policy on arms exports to Israel.

In conclusion, the British Government may have been in breach of one or more of the EU's criteria under the combined code for some years. However, having seen what I have seen in Gaza, I am in no doubt that they are in breach of the code now.

3.35 pm

Lembit Öpik (Montgomeryshire) (LD): It is a pleasure to be involved in this important debate. We are good at making weapons and weapons systems in the UK, not least because we have a thriving aviation industry with decades of experience in the field. We are also good at producing the IT to go with those weapons and weapons systems. Some of the finest companies in the field are based in the United Kingdom.

It is no surprise that there is an enormous temptation and attraction for the UK to export weapons, which is unquestionably why this debate is so important. Arms export controls are thus vital for ensuring that we have a transparent arms trade and that corruption and bribery are stamped out. Every effort should be made to ensure that arms are not supplied to terrorist groups or misused by countries with poor human rights records. When introducing the debate, the hon. Member for Kingswood (Roger Berry) covered those issues in extensive detail, and the arguments do not need to be repeated. The Committee has established a good rapport with the Ministry of Defence and lobby groups in order to work for the best solutions to these problems, and I congratulate it on its body of work so far.

I would like to draw the Minister's attention to a number of issues raised in the report on which I hope he will be able to provide an update—again, some of those matters have been raised already, so I do not need to discuss them in great detail. The hon. Member for Kingswood mentioned man-portable air defence systems—MANPADS. Could the issue of the transporters of such category B weapons relate to some sort of register of arms brokers and traders more cohesively? The Minister also needs to address the open general licence issue, and enforcement and punishment issues are also relevant. How can we monitor the resale of goods to prevent weaponry from ending up being used in undesirable conflicts abroad, as has happened in Burma?

I hope that the Minister will respond to the points already made, but let me add a few of my own. We are approaching the proposed date for the introduction of the final tranche of secondary legislation under the Export Control Act 2002, which will extend controls on light weapons. Will the Minister update us on the effectiveness and progress of that legislation so far, especially in light of how British-made weaponry often still ends up in the wrong hands? I raised that concern in an intervention, because it is easy to see where an aircraft ends up, but it is not so easy to see where light weaponry ends up. If the Minister is so minded, he may admit that the tracking of light weapons and smaller weapons products is impossible. However, the Government might have come up with creative solutions to that problem. One of the hardest aspects of this whole issue is tracking small-scale weaponry and, indeed, IT systems, which are easy to move under the radar and difficult to find when they fall into the wrong hands.

The Committee has suggested previously that

"the roles of broker and transporter can be tightly linked, with the dividing line between them difficult to draw".

That is right. As a consequence, there should be an extension of the roles covered extraterritorially in category B to include transporters of those items. That might go some way towards resolving the issue, so I would welcome the Minister's views on that.

The Government's previous response to the report did not show a commitment to extending controls to transporters of category B goods. Will the Minister provide an update on that, or indicate whether there has been further consideration of the issue? Have the Government considered extending arms controls over the transporters of category B goods? I recognise that there is an economic implication and that the Government will not want to promote the potential loss of some business at this difficult time, but the cost of not taking action far exceeds the benefit of leaving things as they are due to the destabilising elements of what happens if illegal movements go unchecked.

In a similar vein, a register of brokers would also extend arms control extraterritorially. A register of all licensed traders and brokers has long been advocated, and it was discussed at length during the CAEC inquiry sessions. Belgium, France and Sweden, among others, already operate a system of registration that has the clear advantage of better monitoring and transparency. Such a system will not be perfect but, as the hon. Member for Kingswood said, sometimes we have to pass laws notwithstanding the difficulty of enforcement. If the Government are going to be true to their decade-old promise of an ethical international policy, they have to grab this bull by the horns.

The Government recognise the advantages of a register: increasing compliance, and raising the awareness of companies and individuals of the controls that they need to satisfy to get a licence, and for what they can get one. That is good. Such a system would also have the advantage that it could be linked to an offence, and that an individual or company could be struck off the register for breaking the rules. Therefore, I would like to ask whether there has been further development of the idea following the Government's response to the report, what the criteria would be for the register, what mechanism there would be for removing offenders and when that would be appropriate, whether the register would be a public document or available only to the Department concerned, and whether a registration fee would be charged and what that would entail.

The most controversial of licences to trade in arms—the open general licence—still poses many problems. It is intended to apply to low-risk goods and countries that are not problematical, but there are serious concerns that OGLs can easily be exploited. There are questions about what is done once the licence has been obtained. In theory, an individual or company could then simply act as it wanted and exploit the various loopholes, and be caught only if Her Majesty's Revenue and Customs happened to perform a spot check on the right company at the right time.

The Government's view seems to be that spot checks and monitoring would eventually bring up any breaches and that the necessary enforcement action would follow.

I do not agree. I think that there needs to be more systemic intervention that will require intelligence and close monitoring of this sensitive sector. Data provided by the Export Control Organisation and quoted by the UK Working Group on Arms indicate that OGL registrants constitute the largest and fastest growing body of users of the UK export control machinery. The number of licence holders has risen in just four years from 779 in January 2003 to a staggering 3,114 in December 2007. Therefore, while the number of spot checks and compliance officers may increase, the rise in licence holders minimises their effect. Indeed, as shown in the report, the number of goods seized by HMRC has fallen from 120 in 2000 to 44 in 2006.

While most of those licences involve relatively non-sensitive goods being exported to uncontroversial end users, in certain circumstances they can be used to export lethal military and security equipment to sensitive destinations. I do not believe that the 60 per cent. fall in goods apprehended means that there has been a 60 per cent. fall in breaches of compliance, although the Minister may have a more optimistic view. I suspect that many organisations and individuals have found a way to get through.

On top of that, the lack of enforcement and penalties linked to breaches was found to be a concern, even if breaches were minor in character. This is really important: to date, the only significant custodial sentence was through the successful prosecution of John Knight of Endeavour Resources Ltd, who was sentenced to four years for trading arms from Iran to Kuwait without a licence. As the first successful enforcement under the controls, it was widely welcomed and considered to be an extremely important step. However, Saferworld has rightly commented that evidence that emerged from the case raised serious concerns about the effectiveness of the licensing and enforcement regime as a whole, and the willingness of the Department for Business, Enterprise and Regulatory Reform to pursue clear breaches of the 2002 Act.

To some extent, the situation is understandable. One of the main difficulties for a successful criminal prosecution is that the burden of proof is extremely high, as the prosecutor is required to disprove all possible defences. Civil penalties, on the other hand, would offer an easier alternative with a slightly reduced burden of proof. Will the Minister outline the progress of the Government's endorsement of that recommendation? It may not be perfect, but it would probably broaden the room for manoeuvre to enforce legislation.

As has already been pointed out, the Committee contrasted the US and UK systems. Non-compliance with the UK system can actually make economic sense for UK exporters, whereas the harsh penalties in America never make that the case. That suggests that the Government urgently need to look at the case study of another country, not very different from ours, where the system is designed to work better.

We have heard about various re-export breaches. I shall not repeat them, but I look forward to hearing what the Minister has to say about them. The infamous case of the maritime patrol aircraft that were sold by the UK to India, and then resold to Burma, is an example of what can happen if we are not careful about re-export conditions.

Serious concerns remain about the lack of a re-export clause. By comparison, that is a standard element of all US contracts. If there were a blanket clause rather than a subjective choice based on the recipient country, one country would not be treated differently from another, which would negate claims of possible insult to other states. Additionally, given the long life of many military goods, it is important to note that the stability, administration and character of states can change dramatically over, say, 20 years, but the goods could still be perfectly usable and available for re-exporting. That mitigates strongly in favour of a blanket clause.

Have the Government given any further consideration to implementing a single-action clause, as is used by Germany? Such a catch-all clause could give the Government far more flexibility to deal with fast-changing and complex goods. One thing is certain: something has to change. The Government are obligated to respond to the concerns.

The European Union's role also remains crucial. The EU code of conduct was adopted as a common position in December 2008, which means that it is legally binding on member states. The code's eight criteria that any arms sale should satisfy include respect for the UK's international commitments, in particular sanctions decreed by the UN and the EU, and other international obligations, and respect for human rights and fundamental freedoms in the country of final destination. However, the licensing of defence exports still remains at the discretion of member states. Will the Government offer a commitment to the code of conduct, which I am sure all parties in this Chamber want? It seems sensible and consistent with applying common criteria across the EU as a whole.

I cite a concern that comes from the overall sense that this sector has enormous vested interest in finding ways through. With the best will in the world, hard-pressed companies will seek buyers and will sometimes be tempted not to ask too many questions about what those buyers want to do with the products. We have made some specific points, but the macro issue is that if there is one sector that is open to corruption, it is this one. If one looks at the mechanics, one understands that perfectly honourable UK companies could end up indirectly providing goods to dishonourable clients. That is why these matters are so important.

I congratulate the Committee on the insights that its work has provided. The report is exhaustive, precise and well researched. The Committee's work is vital if we are to prevent weaponry from ending up in the wrong hands. To that extent, the Minister is lucky, because this is an action-oriented debate. As far as I can tell, it is not particularly partisan, but concerned with closing loopholes. That is consistent with ensuring that an ethical foreign policy is not just an aspiration, but a fact.

I end with a disappointing and saddening statistic. I am told that for every £2,000 spent on arms, £1 is spent on conflict resolution. I predict that, for many reasons that we understand, we will continue to sell weapons of war, but the greatest single export will be the tools of conflict resolution because human beings, being the creatures that they are, will stop buying arms only when they find an easier and less violent way to solve their natural but tragic conflicts.

3.50 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): It is good to serve under your chairmanship, Sir Nicholas, and to follow the hon. Member for Montgomeryshire (Lembit Öpik), and it is nice to see the Minister in his place today.

This has been an interesting debate, and I sincerely congratulate the hon. Member for Kingswood (Roger Berry) on the way in which he chairs a quite difficult Committee. It is not easy to chair a joint Committee of four Committees, to secure a unanimous agreement and to come up with a constructive report within the constraints of the Official Secrets Act, which we have all heard about today. So, I welcome the opportunity to reply to this debate on behalf of the Opposition for the second time running. It is a pity that more right hon. and hon. Members are not present, considering its importance.

This country should have three arms exports controls objectives: first, that our export policy is concurrent with our global status as a trusted and reliable trading partner, but equally, as a nation that recognises its role in fostering and developing peace and upholding the highest standards of human rights; secondly, that the reporting and scrutiny of our arms exporters occurs without providing an unnecessary burden on the industry, which is a vital part of our economy; and thirdly, that our export policy considers the interests of our defence exporters.

In recognising the need for the comprehensive scrutiny system that we have in place, we must not underestimate the importance of our defence exporters to this country. Although it is right that we scrutinise, we must not ignore the skills of those in the industry or the excellent quality of the equipment that they produce. It is of huge benefit, not least to our own armed forces. Defence exports assist the UK in strengthening our relations with allies and in reducing the unit cost of equipment to our own armed forces. Given that our defence manufacturers produce some of the most respected military hardware anywhere in the world, and given the current need for such equipment within our overstretched armed forces, that point simply cannot be ignored. The capacity to produce the best kit for our troops is dependent on a world-leading and thriving defence export industry.

Figures for 2006-07 show 25,000 jobs dependent directly on the defence export industry, with a further 30,000 people indirectly employed in the supply chain, as sub-contractors or as suppliers, as part of a £5 billion industry. The industry is very important to this country, and it is therefore equally important that we strike the right balance with our regulatory regime. I have just returned from India, where I found that the country spends 2 per cent. of its GDP on defence, an increase of 34 per cent. on last year, and plans to spend $29 billion on major acquisitions over the next five years. BAE Systems is targeting that major industry, and it will be of considerable benefit to this country, notwithstanding the remarks made by my hon. Friend the Member for Buckingham (John Bercow) about India's re-export of arms to Burma. Our regulatory regime should be well capable of dealing with that.

Roger Berry: Does the hon. Gentleman therefore conclude, as the Committee concludes, that the way to deal with that issue is to include in the licence agreement a re-export clause of the kind to which I referred?

Mr. Clifton-Brown: Yes, absolutely. I am grateful for the Committee Chairman's intervention, and I shall come to that point later in my speech.

I shall not rehearse what I said about the historic nature of the debate when I intervened on the hon. Gentleman. The Minister will have heard it, and I shall not quote from the report, which makes criticism of the issue, but I hope that in future the Government will produce a reply, so that the debate can include consideration of the reply and be more up to date.

There was some criticism of the statutory instrument that the right hon. Member for Kilmarnock and Loudoun (Des Browne) introduced on sting sticks, because only 14 days' consultation took place. The Government must think carefully about how they respond to such matters and provide the Committee and others with adequate time to reply not only to their responses but to statutory instruments.

Sir John Stanley: I do not understand my hon. Friend's point, because the Government's response to the report that we are debating was published in November 2008.

Mr. Clifton-Brown: I was not going to, but to make the point completely clear I shall quote from the report that the hon. Member for Kingswood produced and in which my right hon. Friend the Member for Tonbridge and Malling (Sir John Stanley) participated. It says:

> "In the past the Government produced the annual report about seven months after the end of the calendar year around the time (in July) that we are usually finalising our Report. This has meant that we have not been able to carry out any detailed scrutiny of the annual report until the following year. This year the Government indicated that it would produce the 2007 Annual Report on Strategic Export Controls in May 2008. In the event it was not able to produce the 2007 report by the time that we concluded our deliberations. The latest indication we have is that the 2007 Annual Report will be produced in July. This is no improvement on previous years."

I hope that that clarifies the report for my right hon. Friend.

The Defence Export Services Organisation has been moved from the Ministry of Defence to UK Trade & Investment within the Department for Business, Enterprise and Regulatory Reform, but today's debate has not mentioned how the licensing regime affects DESO, whether DESO is happy with the regime and what criticisms DESO has of it. In considering these regulatory matters, one needs to take particular account of the Government organisation that is responsible for our defence exports.

Two points that were raised in last year's debate still feature in this report, and the Minister of State, Department for International Development, did not comment on them when he responded last year. I have already commented on the timings of the Select Committee's reports and, on intervention, about the issue of defence attachés, but the report says that

> "all of the departments concerned with the scrutiny of export licences need to keep under review whether the cutbacks in defence attaché posts is having a detrimental effect on the UK's export controls."

Indeed, the then Secretary of State for Defence, the right hon. Member for Kilmarnock and Loudoun, said in evidence on 17 January 2008 that only about 5 per cent. of a defence attaché's role was associated with any aspect of that work. But, as I stated last year, no one

knows when that 5 per cent. of time occurs, given that 100 per cent. of a defence attaché's time is spent dealing with defence matters.

Sir John Stanley: I wholly agree with my hon. Friend about defence attachés, but I offer a further point of clarification to him. He will recall that, after intervening, he was rebuked by the hon. Member for Kingswood for advocating additional public expenditure, but does my hon. Friend not agree that that was a mistake on the hon. Gentleman's part, because the issue was about a transfer of expenditure from the Foreign Office to the Ministry of Defence, which, in public expenditure terms, was neutral? I am sure that what my hon. Friend required—a transfer back—would be equally public-expenditure neutral.

Mr. Clifton-Brown: I entirely agree with my right hon. Friend. That is a very helpful intervention all round, so I am grateful to him for it.

I shall move on to open general export licences. The UK Working Group on Arms reports that

"in 2004, 5 per cent. of OGELs were seen to be misused; in 2005, 8 per cent. were seen to be misused; and in 2006, 11 per cent. That is, just over one in 10, from compliance visits, are shown to have problems with their use."

Indeed, David Hayes, the chairman of the Export Group for Aerospace and Defence, felt that it was a consequence of ignorance about the controls and a lack of concern for the consequences of non-compliance—an issue that the hon. Member for Montgomeryshire raised.

That feeds nicely into the issue of enforcement, which the hon. Gentleman also raised. It is surely one of the most important issues, because, without effective enforcement, the rest almost become meaningless.

This issue is worthy of debate, as Mark Pyman notes in his evidence to the Commerce Department in the USA, when saying that in the late 1990s

"50% of the complaints were about…bribery, even though that is only about 1% of the world trade".

But of course that 1 per cent. is important.

Rightly or wrongly, a large number of people view the defence trade with suspicion, because of allegations of bribery or because of the equipment that is traded. A good way of redressing this balance in the eyes of the public is to offer sizeable penalties for breaking the rules, as hon. Members have said. Paragraph 51 of the report notes that David Hayes from EGAD said:

"non-compliance with the UK system can make economic sense but non compliance with the US system never makes economic sense."

That quote was also used by the hon. Member for Montgomeryshire to prove that the US system is tougher than the UK system. Does the Minister agree that the potential damage to this business caused by breaching the rules would be a far greater deterrent than any excess legislation or red tape?

The Committee makes the sensible suggestion, in paragraph 117, that

"in a case where subsequently an exporter is convicted of corruption the Government revoke all his or her export licences."

That was not mentioned by the Committee Chairman, but it is a good idea. Is the Minister still actively considering that? The Committee is also right to suggest that the Government should

"set out the timetable for bringing a fully searchable and regularly updated database of all licensing decisions into operation and publish details of its functionality and operating arrangements",

as recommended in paragraph 85. The Government's response suggested that this would occur in early 2009. Perhaps the Minister will give an update and say exactly where we have got to on that project.

Cluster munitions were mentioned by the Committee Chairman, I think. We Opposition Members support the agreement that was reached at Dublin and the treaty's subsequent ratification at Oslo. Cluster munitions have caused far too many indiscriminate casualties over the years. We saw that, as has been mentioned, in Lebanon; the maiming and killing caused by cluster munitions was a disgrace. However, it is also essential that the operational capability of our armed forces and their safety in a battlefield situation are not compromised. Therefore, alternative solutions need to be found.

In an intervention, the Chairman raised the issue of re-exports, which is a serious matter for concern, particularly in view of the allegations relating to India's re-exporting maritime aircraft to Burma, which we need to consider carefully. The Committee suggests at paragraph 40

"that it should become a standard requirement of licensing that export contracts for goods on the Military List contain a clause preventing re-export to a destination subject to UN or EU embargo."

That seems to me to be not only eminently sensible but a vital requirement. If there is an EU or UN embargo, why on earth are we even contemplating that somebody should be able to re-export arms to such regimes?

In his evidence, Mr. Doddrell, the director of the Export Control Organisation, noted that the

"preferred approach for some time has been to factor all these considerations into the initial licensing decision".

That is the Government's procedure at the moment, so perhaps the Minister will tell us whether that remains their preferred option or whether he would be prepared to put in a clause physically preventing re-export to those countries with sanctions on them. There remains the concern that items may not be sold on for maybe 10, 15 or even 20 years, until the first trading partner has finished with them. The threat of re-exporting is now far easier to assess, through predicting how a country will behave in 20 years' time. Given our better knowledge these days, collected on the ground, surely it should be possible to assess such matters.

Extraterritorial and dual-use regulations, internal agreements and end use have been mentioned. The report also raises other hot issues in terms of arms exports in respect of extraterritoriality and dual-use regulations. These areas are obviously a matter of concern and, as with previous subjects, we should not overlook them. But it is imperative that we remember that the British defence industry already adheres to some of the highest trade standards in the world.

As a nation with a proud heritage and respect abroad, I feel that our high standards are well recognised abroad. Although we must not take our eyes off our own exporters, it is vital that we expend a significant amount of time continuing to pursue agreements with our partners in the EU and beyond—I am sure that the Minister will say something about this in his summing up—without which continued domestic regulations and restrictions will put British defence exporters at a disadvantage. That will happen if we have a higher regulatory regime

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than is common for the rest of Europe. Furthermore, that will enable funds to go into the hands of nations without the principles that we adhere to, which will then have the funding to produce ever more abhorrent weapons, leaving our own armed forces, as a corollary, less well equipped to respond to potential threats. Surely we are in the business—I encourage the Minister to say this in his response—of trying to encourage others to live up to the highest standards that we set ourselves.

Although good work has obviously been done with the international arms trade treaty so far, there remains much to be done in ensuring a high-level consistent approach to arms trading across the globe. The arms trade is worldwide and there is a clear limit to the effectiveness of national controls. Perhaps the Minister will say something about the progress on the arms trade treaty.

Criterion 8, sustainable development, remains a key feature of this report and merits further consideration. Last year, as has already been mentioned by my right hon. Friend the Member for Tonbridge and Malling, Oxfam produced a report entitled "Africa's Missing Billions", at the heart of which was the fact that armed conflict costs Africa around $18 billion per year, seriously derailing development. Some 95 per cent. of the weapons and ammunition used comes from outside Africa. Interestingly enough, because of our arms control regime, British arms exports to Africa in 2007 totalled a mere £44 million. That is still a substantial figure, but small in relation to the whole trade.

There seems to be quite a flaw in scrutiny when an export that should be subject to assessment by the Department for International Development as part of Criterion 8 can be "sidestepped", to use the words of the Committee, if the end user is a private company, seemingly regardless of the company's ties to the Government. Perhaps the Minister, with his DFID and DBERR hats on, will say something about that.

Once again, I congratulate the Committee Chairman on this excellent report. He has done well to get agreement across the four Committees, but—there is always a but, isn't there?—it is a shame that so many of the issues discussed last year remain as part of this report. Given the importance of the subject of the debate, it should be up to date, highlighting again the importance of the defence industry to our country without ignoring the importance of scrutiny. Tied to this, there is concern that the report gives too much weight to the views of the public sector directly tied to the industry and non-governmental organisations, but contains little about the views of the defence exporters, which, I have to say to the Committee Chairman, is a weakness. Where are the views of defence exporters and the Defence Export Services Organisation? What do those bodies find are the problems with this licensing regime? It would be interesting to hear from them about those problems.

Roger Berry: Does the hon. Gentleman acknowledge that the report publishes the minutes of the evidence sessions and that every year we take evidence from the defence manufacturers—and their views are there? I shall be grateful if he lets me know about any area in our recommendations where we have ignored the views of the defence manufacturers.

Mr. Clifton-Brown: I accept that the evidence is in there and published, but their evidence is given less weight, shall we say, in the conclusions than that of others. The Chairman looks somewhat puzzled. Inevitably, it is a matter of judgment as to how the reader sees the report. I came to my conclusion on reading the report, although I could be mistaken; I do not know. Nevertheless that is how it is.

The report is right to highlight hon. Members' key areas of concern for debate, but where there is a shortage of case studies—my right hon. Friend the Member for Tonbridge and Malling mentioned this in respect of the case of the EU consolidated criteria—one needs to be careful about what conclusions one comes to. My right hon. Friend came to the conclusion that, with the possible exception of arms exports to Israel, this country is broadly compliant with those criteria, because of the lack of evidence to the contrary. That should be a guiding star to us. Unless there is clear evidence to the contrary, one should assume that things are working. We must continue our drive to ensure higher global standards. The arms trade is global, and unilateral arrangements in this country will not necessarily halt that.

Sir John Stanley: For the record, I made it clear that, apart from Israel and China, I thought that across the board the Government should further examine component control in relation to EU criteria.

Mr. Clifton-Brown: Without being able to paraphrase the whole of my right hon. Friend's speech, he is entirely right to raise components, which are an important part of the arms trade and should be regulated as such, in the same way as an entire fabricated article. One component might be the important one in making the entire fabricated article effective. I entirely agree with my right hon. Friend, and I look forward to hearing the Minister.

4.10 pm

The Parliamentary Under-Secretary of State for Business, Enterprise and Regulatory Reform (Ian Pearson): It is a pleasure to serve under your chairmanship, Sir Nicholas. I am pleased to have the opportunity to respond to the issues that have been raised during this high-quality debate. I congratulate my hon. Friend the Member for Kingswood (Roger Berry) on the way in which he has carried out his role as Chair, and the constructive way in which he presented the reports. As always, we have had some thoughtful contributions from the right hon. Member for Tonbridge and Malling (Sir John Stanley) and the hon. Member for Montgomeryshire (Lembit Öpik) and the hon. Member for Cotswold (Mr. Clifton-Brown), who speaks for the official Opposition.

I appreciate the acknowledgment by my hon. Friend the Member for Kingswood that substantial progress has been made on arms export controls over several years. I also appreciate the comments from the right hon. Member for Tonbridge and Malling saying that, in broad terms, the UK is in pretty full compliance with the EU's consolidated criteria. He went on to raise issues concerning components, China, Israel and Palestine, and I will come to those shortly.

I support the comments made by the hon. Member for Cotswold in reference to the defence industry's importance to the United Kingdom, not only as the bedrock of providing high-quality goods and services

to our armed services, but through the role that arms exports and the jobs associated with them play in the UK's economy. A key to the continuing success of the industry is good regulation, which is where effective licence controls are relevant. The UK can be proud of the standards that it sets and maintains, but it is important continually to be challenged. That is the purpose of this debate, and hon. Members do that regularly throughout the year. We may not always agree—I shall point out some areas where there are honest disagreements—but we will always engage, listen and consider thoroughly the reports that come from Committees.

Hon. Members will be aware that we are coming to the end of the post-implementation review of the controls introduced in 2004. We are grateful for the input of the Committees, NGOs and industry stakeholders. All parties were struck by the collaboration that we managed to achieve together, and I look forward to that continuing. We will soon have completed implementation of most of the changes coming out of the review. We have taken significant steps to strengthen export controls where there has been concern, and to fulfil commitments and our responses to the public consultation. Hon. Members will be aware that we have introduced controls on sting sticks, and fully extended extraterritorial controls to UK persons anywhere in the world trading in small arms and man-portable air defence systems—MANPADS. We changed the controls on cluster munitions, subjecting them to the strictest controls, and we have controlled both extraterritorial trading by United Kingdom persons and trading within the United Kingdom, in addition to the full range of support activities. On 6 April, legislation will come into force to extend the fully extraterritorial trade controls to light weapons and to tighten controls on the transport of those weapons and similar goods of heightened concern between overseas destinations, and controls on their transit or transhipment via the UK.

Officials have started work on pursuing our commitments on torture and military end-use controls at European level. Thanks to the positive and constructive engagement of our stakeholders, we have a strong package that will significantly enhance our controls where concerns have been expressed for a considerable time.

I want to refer to some significant successes over the past year or so, and to respond fully to the many points that have been made during this debate. I was pleased that when I appeared before the Committee, I was able to announce that we were proceeding with plans for the introduction of civil penalties. I am firmly convinced of their value, and hope that we can obtain the necessary consensus in government so that the process of introducing a regime can begin in earnest. We have also introduced procedures for companies or individuals to have their registration for open general export licences withdrawn if they have a poor compliance record, or for other appropriate reasons, such as being convicted of export control-related offences. The hon. Member for Cotswold raised that point.

There have been two major successful prosecutions. The hon. Member for Montgomeryshire mentioned John Knight, who was convicted of transferring machine guns between Iran and Kuwait, and sentenced to four years' imprisonment with a confiscation order of £53,000. Mehrdad Salashoor was convicted of illegally exporting to Iran navigation equipment that could be adapted for use in missile guidance systems. He was sentenced to 18 months' imprisonment with a confiscation order of £433,000.

On enforcement activity, we have increased the number of awareness events by 10 per cent. and the number of company training visits by 80 per cent. We are developing, and are about to launch, an online searchable database to improve access to publicly available licensing information. The industry and NGOs have been involved in the development and testing of the database, and we have offered to organise a demonstration for the Committees.

We introduced SPIRE on time and within budget, which was an outstanding achievement. Despite that introduction and a 35 per cent. increase in applications, we have exceeded performance targets over the past 12 months.

Hon. Members will be aware that a directive to simplify the terms and conditions for the transfer of defence-related products in the EU was adopted by the European Parliament on 16 December. It will now be considered for adoption by the Council of Ministers. Due to the efforts of the UK delegation, which included the Export Control Organisation, and representatives negotiating the directive, the Government believe that there will be few practical implications for the UK export licensing system, which remains robust.

Lembit Öpik: I listened with interest to the Minister's comments about enforcement. I have been involved in a case—I cannot give names, because the case is continuing—in which people have been accused of terrorism and exporting equipment to a certain part of the world, allegedly for terrorist activity. It is obvious to me that the claim is preposterous, and I am pretty sure that they will be found innocent, but the case highlighted the difficulty of determining end use. Does the Minister have any observations—perhaps he is coming to this—on how we can enforce the matter fairly and more comprehensively so that we do not arrest the wrong people? I do not believe that the two people he cited are the only two who have broken the law.

Ian Pearson: I appreciate the hon. Gentleman's point, and I will indeed say more about end use, but first I want to speak about progress on the introduction of an international arms trade treaty.

As hon. Members will be aware, a resolution co-sponsored by the UK resulted in the UN mandating work on a treaty. Earlier this month, the first of two sessions of an open-ended working group on an arms trade treaty took place at the UN in New York. The second session will take place in July 2009 and the working group will discuss areas on which there could be consensus. That is a key step towards achieving a globally agreed and robust arms trade treaty of a high standard, and that point was raised by several hon. Members.

Mr. Clifton-Brown: Will the Minister give an indication of the outstanding issues on the international arms trade treaty? What issues need to be resolved in order to establish such a treaty?

Ian Pearson: If I were to do that, we would run out of time before I had responded to all the other points raised during the debate. As the hon. Gentleman will be

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aware, it is a long-standing ambition of the United Kingdom to negotiate an international arms trade treaty. We have made some progress in getting discussions up and running. They still have a long way to go, but certainly the United Kingdom will continue to be enthusiastic about promoting an arms trade treaty.

Roger Berry: I am full of praise for the Government's support for the international arms trade treaty and what they are doing. That is a very difficult task—no two ways about it. What does the Minister think about the concerns that NGOs have raised about the possibility of the scope of the treaty being so narrow as not to be worth supporting? As he knows, that concern has been expressed. Are the NGOs premature in their judgment, and if so, why?

Ian Pearson: I know that concerns are expressed by NGOs about the potential scope of the arms trade treaty. The position of the UK Government is that we want a treaty that has high standards and we will continue to push that as a policy. We certainly do not want to give up on what we believe is an important process. We will maintain a high level of ambition in the discussions that have been taking place, and will continue to take place, on the issue.

My hon. Friend the Member for Kingswood also raised the issue of a register or pre-licensing registration system. As he will be aware, the Government are not opposed to a register in principle. The hon. Member for Buckingham (John Bercow) suggested—I think that he has done so twice now—that we have kicked that issue into the long grass. No, we have not. In practice, we already have a register of traders. We have a comprehensive database and can use it at any time to show who is using trade control licences. We can use that information to direct our awareness-raising or compliance-visiting activity. What we do not have is a pre-licensing registration system under which traders must be vetted before they can be registered.

The ECO considered the issue closely and concluded that at this stage, the time is not right to introduce a full registration system. We are happy to consider the issue again once we see how well the initiatives that we are currently pursuing—such as clamping down on those who misuse open licences and focusing our awareness activity on traders—work in practice. It is right that we take time properly to assess the effect of those new initiatives, particularly bearing it in mind that we would be talking about a regulatory burden in introducing a pre-licensing registration scheme.

Roger Berry: Is the Minister saying that the Government have decided, therefore, at this stage that there will be no register, but that that decision might be reviewed in the light of future circumstances? I ask the question because my understanding was that the Government were still reviewing whether they supported a register, and I think that the Minister has just said that the answer is no, they do not support a register.

Ian Pearson: I am saying that we believe that at this stage it would not be appropriate to proceed with a pre-licensing registration scheme. We think that that would impose a burden on legitimate businesses and we want to see how the other actions that we are taking will work. We will review that decision when we have more information. It is right to take time to make that assessment.

My hon. Friend and others raised the important issue of end-use monitoring. Our position remains that the best means of ensuring that goods are not diverted is to conduct a rigorous assessment at the licence application stage. That includes careful examination of the information on the proposed end use and end user of the goods. As hon. Members will appreciate, UK diplomatic posts are regularly asked to check the accuracy of the information in the end-user documentation submitted in support of an application. Should that assessment identify an unacceptable risk, the application will not be approved.

The primary purpose of any monitoring of equipment once it has left the UK is to generate information to assist the risk assessment of other current or future applications that are similar. The Government believe that we already have adequate systems in place to do that. The use of military equipment in destinations of concern is monitored by UK overseas posts using a variety of information, including from the media, NGOs and intelligence reports. Those posts have standing instructions to report misuse of UK-origin defence equipment.

Given that the ECO issues about 10,000 individual export licences a year and that, in addition, a substantial volume of exports are made under cover of the open individual and open general export licences, the Government do not have the resources to monitor routinely end use overseas. It simply would not be practical for every export to have a British civil servant attached to it or to have a British person in post, meeting it at the border.

Roger Berry: Will the Minister give way?

Ian Pearson: I do not think that hon. Members will—

Roger Berry: Will the Minister please give way?

Sir Nicholas Winterton (in the Chair): Order. Is the Minister giving way? Yes, he is.

Roger Berry: I am extremely grateful to the Minister. When have the Committees ever suggested such a thing? We never have. We have said that most of our exports, for example, go to NATO allies and others and we have no serious questions in that respect. There are a number of destinations, however, where rather more end-use monitoring than the Minister admits takes place would perhaps be helpful. Will he please not caricature the Committees' recommendations in that way? It is deeply offensive.

Ian Pearson: I apologise to my hon. Friend if I have offended him in any way. I was simply trying to make the basic point that the vast majority of export applications are uncontentious—there does not need to be comprehensive end-use monitoring—but in other situations a substantial resource commitment would be involved.

Mr. Clifton-Brown: Will the Minister give way?

Ian Pearson: The hon. Gentleman, to whom I will give way in a moment, mentioned defence attachés. As I think he is aware, defence attachés are tasked with making assessments of export licences as part of the

licensing application process. The Government remain of the view that the best way to ensure that the system operates effectively is getting it right at the licence application stage of the process, rather than attaching civil servants to exports of particular goods.

Mr. Clifton-Brown: I agree that the best way of dealing with the matter is at the licensing stage, but surely the pragmatic way of enforcing the end use is this. Officials, whether in the Minister's Department, the Foreign Office or the Ministry of Defence, will know perfectly well the countries where there is likely to be a problem and will know perfectly well the type of arms exports that are likely to be re-exported to those countries. Therefore, the effort should be made in the countries where there is likely to be a problem. In that way, the finite resources that any Government will have available to them can be used more effectively.

Ian Pearson: What the hon. Gentleman suggests would be a significant departure from current practice. We have debated the matter on a number of occasions, and the Government remain of the view that getting it right at the licensing and application stage must be the most sensible, logical, proportionate and cost-effective approach.

Lembit Öpik: I realise that the Minister has been intervened upon many times on this subject, but this is one of the key areas. Accepting that unscrupulous arms purchasers may be able to buy their weapons elsewhere if they cannot get them from the UK, does he nevertheless accept that some unscrupulous traders in this country may make the calculation that the odds are rather good? The profits are large, and the chance of being apprehended is relatively small. They are willing to take the risk. I stress again that there have been two significant prosecutions in the entire industry in recent times. It is not many.

Ian Pearson: It is not many, but we are not aware of widespread abuse of the UK's export licensing regime. We have tough standards, and I like to believe that unscrupulous people of the sort that the hon. Gentleman mentions would not get through our licensing application process.

I turn to the question of tightening controls on the export of non-controlled goods through enhanced military end-use control arrangements, rather than additional legislation. We will be engaging with industry and NGO stakeholders in order to obtain their views on our proposals, so that we can ensure a level playing field throughout Europe. It is envisaged that an enhanced military end-use control would cover a wider range of goods than at present, and that it would apply to goods going to sensitive destinations rather than only to embargoed countries as at present. The hon. Member for Montgomeryshire spoke of a single action clause. My understanding is that what we propose for the enhanced EU military end-use control is similar.

As for the extension of extraterritorial trade control coverage from small arms and light weapons to other weapons or even the entire military list, the House will be aware that we are committed to and have prioritised the introduction of controls based on evidence of the associated risk. We have asked NGO and industry stakeholders to consider the case for extensions of controls to be applied to even more military goods. They hope to submit a proposal shortly, and we will meet them to discuss it. We will, of course, report on the proposal once it has been evaluated. As with all new regulation, we need to be satisfied that there is sufficient evidence of a problem to justify extending controls in that way, and that the additional burden on business will be proportionate to the risk.

My hon. Friend the Member for Kingswood also raised the question of anti-vehicle land mines. I am aware of the concerns that have been expressed about their being placed in category C of the new trade controls, rather than category B. Indeed, the matter was discussed when I gave evidence to the Committees. Their status as category C goods means that their export from the UK remains fully controlled. The principal effect of moving them to category B would be to control trading activities by UK persons operating outside the UK. No country has made a specific international commitment to make that change. Our commitments relating to the verification and monitoring systems governing the transfer of anti-vehicle land mines will be unaffected, regardless of whether they are in category B or category C. No doubt, however, we will continue to pursue the matter.

I wish to discuss briefly the no re-export clauses, a subject that was raised by several Members and mentioned during my appearance before the Committees. The Government remain unconvinced that it is necessary or feasible to require overseas entities to seek permission from the UK authorities in order to re-export items that are already outside the UK. Such a system would be onerous to operate and extremely difficult to enforce outside the UK's legal jurisdiction.

In reality, re-export clauses would not increase our real-world powers; and we factor the risk of diversion or re-export to undesirable end users into our risk assessment at the application stage. We would not license the export unless it was consistent with the consolidated criteria. When applying for a seal, all exporters have to provide an undertaking from the end user that the goods will be used for the purposes stated in the undertaking. If the export is going to a consignee who intends to hold the goods in stock against future orders, he must state whether the goods will be re-exported from their original destination. In the latter case, that is factored into the licensing risk assessment.

Roger Berry: I am grateful to the Minister for giving way; he is being generous with his time. I do not doubt for a second the professionalism and commitment of the officials who make such decisions, and I do not doubt that it is best to do things properly at the beginning when deciding whether to grant a licence. However, examples have been given to show that, on the best information possible, it is still the case that arms can be exported to country A and subsequently from country A to a destination about which nothing was known, and one that we would have been appalled at if we had known. A re-export clause, as used by other countries, would surely send the clear signal that that would not be acceptable, and that we would re-examine their future licence applications far more rigorously. Why can we not do that?

Ian Pearson: In replying directly to my hon. Friend, I reiterate what I said earlier. It would not increase our powers in the real world to deal with the problem. It would be extremely difficult, if not impossible, to enforce

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it outside the UK's legal jurisdiction. It would also be onerous to operate. I share my hon. Friend's objective; I do not want to see exports going to places that they should not. At the moment, as I said, the licensing application process includes getting an undertaking from the end user that the goods will be used for the purposes stated; and various safeguards are built in. If an exporter has been found to have been involved in exporting to an embargoed destination, that will be taken into account when considering future licensing applications.

Lembit Öpik: I support what was said by the hon. Member for Kingswood, the Committee Chairman. We already have a model for that, the one used by the United States. The US is a free capitalist market, yet the US believes that it can be enforced. Surely, the sanction is that if the clause is violated, it will cause obstacles to further trade. That, in itself, should be a deterrent for major customers—usually nations—regarding violating the clause. Why does the Minister believe that the UK cannot benefit from a provision that is thought by the US to be effective?

Ian Pearson: I have explained why I think it would be difficult, if not impossible, to enforce that outside the UK's jurisdiction, and I have nothing further to add. However, when licences have been issued but information subsequently comes to light of an undesirable re-export, we have the power to revoke the licence under secondary legislation. The impact of doing so would obviously be limited if the goods had already been re-exported, but we would be able to factor that information into subsequent licensing decisions.

I turn to some of the points made by the right hon. Member for Tonbridge and Malling, as well as to picking up on points made by my hon. Friend the Member for Kingswood and others. The right hon. Gentleman raised the question of components. He spoke specifically about F-16s, Apache helicopters and unmanned aerial vehicles. When we are talking about components that potentially have a dual use, there can be a risk of diversion. In some clear cases, such as those involving head-up displays, which he mentioned, components have been incorporated into systems in a way that causes extreme concern.

I cannot, as the right hon. Gentleman asked, undertake today to review our policy, but I shall give the matter some consideration and report back to the Committee on whether, based on our evidence, a case could be made for reviewing our procedures.

Roger Berry: The Minister acknowledged that, in recent years, licences had been granted for the export of head-up display units in the full knowledge that Israel would be the ultimate end user. In the light of what has happened in the middle east in recent years, does he believe that the policy should be subject to scrutiny, or only the process?

Ian Pearson: In response to the right hon. Member for Tonbridge and Malling, I said that I would consider the case for a review of the policy on the export of components. We will respond to the Committee when we are in a position to do so.

Sir John Stanley: Will the Minister confirm whether the Committee could, if it so wished, put into the public domain the entire text of his letter on 19 February?

Ian Pearson: I cannot confirm that now, but I shall ensure that the right hon. Gentleman receives an answer at some point. As he will appreciate, I receive advice on what material should be restricted, and although it is appropriate to continue this discussion, it would not be right to give that permission without seeking further legal advice.

The right hon. Gentleman mentioned China's human rights record. I would like to stress that, on every appropriate occasion, the UK Government raise with China its human rights record. Its various human rights failings are well recognised and reported on through the media, and the annual human rights reports issued by the Foreign and Commonwealth Office indicate continuing concerns about human rights practices in China, while recognising that progress has been made. He also mentioned capital punishment, although I do not think that he was suggesting that the UK was exporting to China equipment that might assist it to carry out executions. He will be aware that the UK takes a clear view against capital punishment, as we make extremely clear in all international forums.

Sir John Stanley: I asked the Minister whether he would conduct a very carefully considered review of whether this substantial trade with China, as shown in EU figures, is fully compliant with the terms of the EU combined criteria. For example, is he satisfied that every item that has received a licence from his Department is compliant with criterion 2(a)? That states:

"Member States shall...deny an export licence if there is a clear risk that the military technology or equipment to be exported might be used for internal repression".

He might wish to write to the Committee about that as well.

Ian Pearson: The Government rigorously assess all licence applications for exports to China and other countries, and we have no reason to believe that any of our decisions have been wrong, so no case could be made for a review.

Many hon. Members have rightly taken a strong and close interest in defence exports to Israel, which is entirely understandable, given what happened in Gaza recently. I can only repeat what ministerial colleagues have said many times before: the licensing criteria must be the basis of all our decisions. If issuing a licence would be inconsistent with those criteria, the licence will be refused. That policy has remained constant over many years—it has not changed because it has not needed to. However, the circumstances to which the risk assessments are applied do change. As the Committee knows, the circumstances at the time of the application are taken fully into account when decisions are made.

Not all licences granted for exports to Israel are for equipment that will remain there. Many involve equipment for incorporation into larger equipment and onward export to a third country. Also, many are for dual use rather than military items. Overseas posts have standing instructions to report any misuse of UK-supplied equipment, and should any relevant information come

to light, whether through the media, non-governmental organisations or intelligence reports, it will be taken into account when assessing future licences. Those issues might also be raised with the authorities in the country in question. Hon. Members will be aware that the FCO will shortly make a statement, and on 4 March, the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Harlow (Bill Rammell), appeared before the Committee. What he said then remains our position.

Mr. Clifton-Brown: With respect to the Minister, his remarks have been slightly inconsistent. He said that a re-export clause was impossible, because it could not be legally enforced or policed. How, therefore, does he expect to police a licence allowing the export to Israel of, for example, motors for unmanned aerial vehicles to be re-exported to a third country?

Ian Pearson: The hon. Gentleman takes us back to end-use monitoring, as opposed to assessments during the licensing application process. Guarantees of use will be given, and I see no inconsistency here. Re-exporting is potentially a very difficult issue. Mention was made of Indian re-exports to Burma. Those are of grave concern, and those concerns are factored into licensing decisions. However, the re-export to end-use destinations such as the United States of components supplied to Israel, as happens quite a lot, would not necessarily cause the Government heightened concern.

Sir John Stanley: May I respond to what the Minister said to me about a review of policy towards Israel? He spoke as if the policy is set in stone and does not take into account events—particularly recent events. Does he not agree that it is incumbent on him and his colleagues to look at recent events and consider whether the uses that have been made by Israel of military equipment are still compliant with EU criteria? Again, I refer him to criterion 2 (c), which says that member states shall

"deny an export licence if there is a clear risk that the military technology or equipment to be exported might be used in the commission of serious violations of international humanitarian law."

Does the Minister not agree, therefore, that when he or the Secretary of State makes the promised statement, it will be incumbent on the Government to set out whether or not they consider that the use of military force in Gaza recently has or has not been in violation of criterion 2 (c)?

Ian Pearson: Absolutely; I agree with the right hon. Gentleman that decisions on licensing must take account of current and recent events, and that is exactly what they do. The licensing criteria and policy itself have not changed, and do not need to change. None the less, it should be looked at in the light of current events. Any future licensing applications for exports of goods and components to Israel will have to bear in mind the recent events that have tragically taken place in that country.

At the risk of being controversial, I should like to respond to the point made by my hon. Friend the Member for Kingswood about the moral equivalence of an arms embargo on both Hamas and Israel. One is a terrorist organisation and the other is a democracy. It is right that we should apply different criteria to terrorist organisations and democratic countries. That is not to say that we do not have concerns about the use of military goods exports. Clearly, we do, and we take it into account as part of the licensing criteria. I do not accept the rationale of my hon. Friend's argument, but if he wants to explain it again to me, I will happily give way to him.

Roger Berry: There are occasions when democracies are in conflict, and arms embargoes are applied. The Government's position is that Israel is in unlawful occupation of the Palestine territories. Moreover, there are countless views of the Government on the wall and so on.

If the Government called, as they did, for an immediate ceasefire in Gaza, and if they called, as they rightly did, for efforts to stop arms going into Gaza that could have ended up in the hands of Hamas, why on earth did they not, at the same time, call for an arms embargo on Israel, which has weaponry that far exceeds anything that Hamas could ever dream of? Why use such double standards? This is a conflict that the Government say should cease, being fought in a territory that the Government say is illegally occupied by the state of Israel.

Sir Nicholas Winterton (in the Chair): Order. I am allowing rather lengthy interventions because we are not pressed for time. However, I ask hon. Members to make their interventions succinct and brief.

Ian Pearson: I do not accept that the Government have double standards. We are correctly applying both international law and the licensing criteria under the regime that we are discussing at the moment.

Let me turn now to compliance with open licences, which was raised by the hon. Member for Cotswold. I should like to reassure both him and others that the Government take such a matter extremely seriously, as they do any breaches of the controls or the licence conditions. We have regular audit checks to ensure that companies are complying with the terms of their open licences. In 2008, the Export Control Organisation undertook 15 per cent. more audits than in 2007 following an increase in resources in the compliance unit. In 2009, the number will increase still further as the new officers are now fully trained and handling their own portfolio of companies.

I know that the Committees have expressed concerns before, and to address those the ECO has put in place additional measures to increase compliance levels of open general licence users. From June 2008 to the end of February 2009, 38 warning letters were issued to companies that had failed fully to meet the terms and conditions of the open licences. Until recently, all the companies had been found to be compliant at a revisit. However, earlier this month, the ECO suspended for a period of three months a company's use of open licences following repeated non-compliance with the terms of the licences that it used. That indicates the robust approach that the Government are taking.

Hon. Members also raised the issue of transport controls on category B goods. Such goods are of heightened concern, but they are also traded legitimately. Therefore, the arranging of transport will always be controlled,

[Ian Pearson]

but the provision of transport will be controlled in specific circumstances. Only a much-reduced range of supporting services will be controlled, which was of particular concern to the hon. Member for Cotswold.

Finally, let me respond to the point, on which many hon. Members have pressed, about how we can spread best practice and improve standards internationally. Hon. Members have been very appreciative of the fact that we have good and strong standards in the UK. They rightly asked us whether there is more that we can do in this area, but there is a recognition from the Committees that standards in the UK are higher than in many other countries.

The Department for Business, Enterprise and Regulatory Reform supports the FCO in international outreach work, and undertakes international outreach activities as part of a joined-up government effort to promote good export licensing practice in other countries, including those that have recently joined the European Union. We also host inward visits to cover specific aspects of export controls.

In 2008, officials were involved in 12 inward visits and participated in 11 outreach activities overseas. ECO officials were also invited to deliver presentations at a number of overseas international conferences and seminars. I could give many examples, but I want to close by illustrating the importance that the Government attach to the export licensing regime in the United Kingdom. We want high standards not just for the UK, but for the EU through the consolidated criteria that are followed by all member states, and we will continue to promote the highest standards internationally.

Question put and agreed to.

4.59 pm

Sitting adjourned.

Westminster Hall

Tuesday 31 March 2009

[Mr. Eric Illsley *in the Chair*]

Motor Neurone Disease

Motion made, and Question proposed, that the sitting be now adjourned.—*(Chris Mole.)*

9.30 am

Mr. Eric Illsley (in the Chair): The temperature in the Chamber was quite high when we came in, so I will relax the Speaker's ruling on jackets, and hon. Members may remove them if they so wish during this debate.

Mr. Mark Todd (South Derbyshire) (Lab): I had wondered about the temperature and whether it was due to my heavy cold, which has made my already deep voice even deeper.

I am grateful to the Motor Neurone Disease Association, which suggested the topic for the debate. It is the only national organisation that tries to support people who suffer from this terrible disease. One of its focuses is, of course, to find a cure, and another important one is to support people through the process of the disease until their death.

Not many people know a huge amount about motor neurone disease, which is quite rare. About 5,000 people in the UK suffer from it and partly because of its late diagnosis the typical period between diagnosis and death—it is incurable—is about 14 months. I shall return to why that is material. The disease affects the motor neurones—the nerve cells in the brain and spinal cord that control muscles. All muscles are affected, including the respiratory muscles, which control regular breathing—critically when asleep—and keep people alive. Ventilatory impairment is one of the most frequent causes of eventual death in people who suffer from motor neurone disease. The respiratory muscles fail to work and the sufferer is unable to breathe. The process is very distressing, and causes the sufferer and their carers tremendous anxiety. I shall speak about some of the issues that arise for carers of people with MND.

Not only is ventilatory failure a main cause of death; it is a main cause of poor health in the later stages of the illness because poor sleep leads to dramatic loss of quality of life, including headaches, cognitive failure and, in extreme cases, hallucinations when awake. It can also lead to lethargy, requiring additional care simply to maintain the normal course of life. Ventilatory problems are a critical part of the path of motor neurone disease in the typical survival period after diagnosis. The disease dominates family life, and sleep impairment is a critical part of the impact on carers. If a sufferer is not sleeping properly and is perhaps in danger of dying in their sleep, a carer becomes anxious and spends a lot of time supporting the sufferer and trying to help them through the episodes. That leads to poor health among carers, so the difficulty has a multiple effect.

Non-invasive ventilation, which is the subject of this debate, is a relatively simple technology involving a pump, an air filter and a means of delivering air, usually a mask, into the sufferer's lungs, essentially to keep air flowing into the body to keep the sufferer alive when the ventilatory muscles are not functioning properly. The full kit is not particularly expensive, and costs about £6,000. The face mask and so on are obviously personal to the individual, but the key piece of technology supporting the ventilatory muscles—the pump—is reusable and can be passed to another patient when necessary. Unlike a drug, it is an efficient means of helping people with a terrible illness.

Non-invasive ventilation relieves sleep disturbance because it provides the passage of air into the body at regular intervals without the use of the muscles, so the sufferer can sleep normally. It can also be used for longer periods; in the later stages of the disease the problem occurs during the day, as well as at night. Clinical research published in 2006 showed that non-invasive ventilation typically increased the median survival period for people with motor neurone disease by seven months. As I said, the typical survival period is 14 months, so seven months would be a material change in someone's survival, and a major change in their quality of life and that of their carers.

I have met people who have had the technology available to them, and it has revolutionised their own feelings and transformed the life of the family caring for them, who can be more relaxed about the sufferer going off to sleep and can lead a more normal life when at home looking after the sufferer. It has a holistic impact on the family unit affected by motor neurone disease. Studies to date have shown that it is a profoundly beneficial technology.

One might think that suggests that a simple decision could be made about the availability of the technology to MND sufferers. It is relatively cheap, is largely reusable, substantially lengthens life, and improves life quality for sufferers and their carers. The judgment seems to be relatively simple, so it is difficult to explain why the only study that has been done on availability showed that only about 3 per cent. of those suffering from motor neurone disease have the technology made available to them. It may not be appropriate for some sufferers of MND, either because the disease has not yet affected the respiratory muscles, or for other clinical reasons, but it is hard to understand how only 3 per cent. of sufferers might benefit from the technology.

The evidence also shows that use of the technology is very unevenly distributed among neurological consultants who choose to prescribe it. Some neurological consultants regularly prescribe the technology for those suffering from motor neurone disease; others scarcely prescribe it at all. Prima facie, one would expect in that circumstance that the National Institute for Health and Clinical Excellence would be the first port of call, because it is a classic case of the postcode lottery and uneven distribution of care that NICE was set up to address. It is not surprising, therefore, that shortly after the clinical study showed the benefits of the technology, NICE was approached to suggest that a study be done. That was in 2006—more than three years ago.

I say straight away that I am an enthusiastic defender of the NICE process. There has been a profound improvement in the way in which we allocate resources in the NHS and there is a much better framework for establishing best practice in both technologies and medicines

[Mr. Mark Todd]

for NHS patients. Of course there is controversy attached to the treatments; that is inevitable. I am not speaking as a regular critic of the institution—far from it. I am a regular defender of it, sometimes to my constituents, who are not as willing to listen to that side of the argument as I am.

However, it is surprising that there was such a lengthy delay. It is also surprising—I hope that my right hon. Friend the Minister provides some useful information on this—that following contact with the Department to suggest that NICE engage in the study, there was an interval of nearly three years before a referral was made to NICE at the end of last year to consider the technology. That is harder still to understand when NICE's own studies, through its consideration panel, showed that the technology had a score of four and a half out of five. Clearly, as I have said, the technology met many of the criteria that NICE is interested in when considering a particular treatment and technology. We require explanations of what happened and why there has been such a delay.

We are now at the point we are at. NICE has had the referral and is considering how quickly to proceed. Regrettably, what it has said so far is that it will proceed with a study starting at the end of this year and finishing in 2011. Let me put that in a time frame relevant to those who suffer from the disease. Assuming that clinical practice does not alter voluntarily—sadly, it often does not—it will mean that in the next two and a half years, before NICE pronounces, some thousands of people suffering from the disease will not receive that treatment.

The case is solid for rapid consideration of the technology and for a judgment to start that consideration as soon as possible. I hope that the Minister gives us some reassurance that that is the message she will be giving to her Department and those who liaise with NICE on its work programme, and perhaps to NICE itself. I recognise that it is an independent agency—it should be independent. Nevertheless, it should listen hard to its stakeholders and those who are critically interested in the care of people who suffer from terrible diseases such as motor neurone disease.

9.44 am

Dr. Julian Lewis (New Forest, East) (Con): I pay tribute to the hon. Member for South Derbyshire (Mr. Todd). He is the chairman of the all-party group on motor neurone disease, and only on 11 March I attended a meeting of the group for the first time. At that meeting, the question of NIV treatment having been discussed, it was decided that a good way forward was to apply for a debate in Westminster Hall. I was amazed that the hon. Gentleman managed to secure the debate at the first attempt. If ever I decide to become a betting man, I will regard him as at the top of my tipsters list.

Mr. Todd: People often do.

Dr. Lewis: I understand that people already consult the hon. Gentleman.

Mr. Todd: Yes, they do.

Dr. Lewis: Well, I shall join the throng in future.

I must explain that although I am operating somewhat out of my comfort zone, I was so impressed by the case that was made for the need to get the equipment into the possession of people suffering from this dreadful wasting disease that I decided to take a chance and venture into areas on which I am wholly dependent on advice and briefing from the Motor Neurone Disease Association. I shall unashamedly be relying on the material it has given me.

I often say to constituents who come to see me with dreadful problems that MPs have influence but no power. We cannot overrule bodies that are empowered by law to take responsibility for policy implementation. However, we can sometimes speed up a process whereby those bodies would probably get round in the end to doing what needs to be done, because it is in line with policy as laid down by Parliament and Government, but they have been dragging their feet.

Like the hon. Gentleman, I do not intend to cast any aspersions on the work of NICE. I do not know enough about its queuing system for dealing with one task after another. I fear that it may operate on a first come, first served principle, which may mean that a relatively simple decision about a relatively inexpensive measure that needs to be taken has to wait a disproportionate time before it is considered, purely because it is in a queue behind a much more complicated decision that has to be taken about much more expensive equipment or treatment for a much more challenging dilemma and disease.

Therefore, I hope that what we say today in this Chamber will not overrule any procedures that NICE must follow, but will give it a bit of a prod, especially when we bear in mind everything that the hon. Gentleman said about the life expectancy that someone diagnosed with motor neurone disease can have. Let us not forget that one vicious aspect of the disease is that the person's mind remains totally unaffected right up to the end. They know exactly what is happening; they are well aware of the fact that their whole system is gradually closing down. It is of great concern if, knowing that they are under a death sentence of 14 months—that is the average time from diagnosis to death—we are not doing everything we can to make that time as bearable for those people as possible.

I am told by the Motor Neurone Disease Association that one reason why I may not have heard too much about problems relating to NIV treatment in my constituency of New Forest, East is that we are very fortunate in my part of the world. When someone is diagnosed with motor neurone disease, the first step is for their neurologist to refer them to the respiratory services department. That department is usually found in a general hospital, and there is certainly one in Southampton general hospital, which serves my constituents.

The disease can lead to rapid degeneration, including in the gaps between appointments with the neurologist, so if the neurologist does not refer a motor neurone disease sufferer to respiratory services after their first appointment, that person's situation and quality of life may deteriorate substantially before it is possible to see the neurologist again and get a referral on a second or subsequent appointment. Making neurologists aware of

the need to anticipate what may happen and to make a referral as soon as possible is therefore one aspect of this question.

A top neurologist specialising in this terrible disease serves my constituency and the people of the Southampton area. Respiratory services at Southampton general hospital also have a fabulous person working for them, who is in a good position to supply the NIV kit as soon as she gets the referrals. The kit consists of a box, pump and tubes to allow air to be supplied to the patient overnight and, in the later stages, possibly in the days as well. I understand that Hampshire primary care trust, which serves my constituency, also supplies these kits. I am therefore speaking from a very fortunate minority position and I congratulate the general hospital, the neurological department, the respiratory services department and the PCT on what they are doing for MND sufferers in my part of the world.

NICE apparently rates the priority with which it wishes to deal with the question of supplying pumps at four and a half out of five on its priority scale—very highly, in other words.

On the question of expense, we have heard that the whole equipment package costs £6,000 per person, but all that money is not lost. After the initial period of use is, sadly, over, the pumps are entirely reusable, and a large part of the cost is recycled for the benefit of future sufferers.

NIV is believed to increase the lifespan of MND sufferers by up to 11 months. Compared with other forms of treatment, which are much more expensive and are believed to increase lifespan by up to three months at most, NIV is obviously incredibly good value for money. However, we should look at the issue not just in monetary terms, but in terms of humanitarian assistance. As has been said, when one knows that one is going to die in little more than a year, what is more valuable than being able to make those few remaining months tolerable and worthy of living, rather than constantly wishing that the agony was over? As the MND Association says,

"The human cost in terms of life extension and quality of life of denying access to this vital treatment for so many people with MND is enormous."

Ventilatory failure arising from respiratory muscle weakness, which gradually progresses as the disease takes hold, is the most common cause of death in MND and is frequently preceded by sleep-disordered breathing. That, in turn, is associated with considerable morbidity, which causes disturbed sleep, severe daytime sleepiness and headaches, reduced appetite and cognitive impairment. Some people with MND have such disturbed sleep that they report having hallucinations during the day. Anybody who has ever suffered from severe sleep deprivation for any reason—mental breakdown, physical illness, abuse by captors in a conflict situation—will know the devastating effect of being systematically deprived of sleep. It is the worst form of torture that one can inflict on a human being, and that is what this disease does to sufferers during much of the 14 months that they have left once the diagnosis is confirmed.

Clinical trials have shown that NIV significantly improves quality of life for people with MND by increasing blood oxygen levels, which leads to significantly higher-quality sleep, fewer terrible daytime headaches and increased appetite. It is what the military would call a force multiplier. If people's brains can receive more oxygen, every one of their remaining bodily and mental functions will be improved for as long as they live, their quality of life will be better and the period left with their families and friends will be extended.

The MND Association gives an example of the personal experiences of someone who has had NIV:

"Mr S said that prior to using NIV he was waking very frequently at night—up to 39 times per hour according to his consultant. This meant he felt very unwell during the day, describing how he felt as having a very bad hangover. He was also hallucinating during the day. Since using NIV however he sleeps well at night, feels much better during the day and has stopped having hallucinations. He said that NIV has completely changed his life. His wife…said that NIV was a lifeline for them."

Research carried out in 2001 and funded by the MND Association showed that only 5.5 per cent. of people with MND who were under review were receiving NIV. There was a marked variation in clinical practice, with just three neurologists responsible for 30 per cent. of all referrals in the whole United Kingdom. I have no idea how many neurologists in the UK have MND sufferers on their books, but the fact that only three, who are clearly enthusiasts for the treatment, account for almost a third of referrals nationally indicates that there is a huge ocean of unnecessary suffering out there.

As soon as research was published showing that NIV was effective in treating MND, although not widely available, the MND Association suggested NIV to NICE so that guidance could be produced for the NHS. As we have heard, that was in January 2006. Nearly three years later—at the end of 2008—the Department of Health finally referred NIV to NICE. There must be all sorts of sensible reasons for that delay, but I do not think they would have cut much ice with the thousands of people who were suffering from MND over that long period.

Throughout those three years, the MND Association repeatedly asked for progress on NIV and was told that it was, as I have said, considered a high priority, scoring four and a half out of five in NICE's consideration panel for topic selection. All I can say is that it makes me wonder about those rated with lower priorities. Given all the billions that have been spent on health, if NICE is indeed doing a good job its capacity is clearly under-resourced. It needs to do a good job—if that is what it is doing—more quickly.

When NIV was finally referred to NICE, the MND Association expected work on the guidance to start straight away, but NICE said it could not start work until late 2009, as we have heard; the guidance was due to be published early in 2011. The MND Association says—who can disagree?—that it is unacceptable that it could take five years to produce guidance for a vital treatment for that fatal disease. More than 8,000 people will have died from MND during the time in question, many of whom will have been denied access to the life-extending and life-enhancing treatment offered by NIV.

NICE has said it will produce a short clinical guideline on NIV and that it can work on only a small number of projects at any one time to produce such guidelines. The MND Association has identified several such projects that will be completed this spring, and it therefore believes that work on NIV can start then. My appeal to the Minister is that she use what influence she feels she properly can to get the simple and relatively inexpensive

[Dr. Julian Lewis]

process in question into that available slot in the NICE agenda, if statute and the proprieties that govern her role allow her to exert such influence. The questions I have been asked to raise are: why it took nearly three years for NIV to be referred to NICE, when it was considered a high priority; whether the Minister thinks it acceptable for it to have taken that long, and for 8,000 people with MND to die waiting; and why NIV work cannot begin when other short clinical guidelines are completed in April. It would be interesting to receive an insight into how NICE prioritises treatments that are referred to it in that way.

I said earlier that I am operating out of my comfort zone, which is usually mainly military and security matters. However, there was a strange convergence of my interests, because when I was preparing for the debate my mind went back to one of the most inspiring interviews I ever read. It inspired me so much that I had special copies printed and framed, and was able to present one of them to the widow of the person who gave the interview. He was the late Lord Cheshire, better known as Leonard Cheshire, VC, DSO, DFC, and countless bars to those awards. He was famous twice over, but he deserves to be famous three times over. He was famous for being one of the most courageous and certainly the most highly decorated bomber pilot of world war two. He was famous also for his piety and his amazing achievement in founding the Cheshire Homes for the terminally ill.

I feel that he should be famous as well for the interview that he gave. The article, by Anne de Courcy, was published in the *Evening Standard* a few days after Lord Cheshire died in 1992, and explains:

"He had the fatal muscle-wasting disease, motor neurone, and his condition was rapidly deteriorating. Two days earlier, he had rung to warn me that his voice was weak 'but do come . . . this will be my last interview'.

He sat in his electrically operated armchair, back to the windows of his upstairs study, knees raised to avoid pressure on his emaciated hip bones.

Every few minutes he sucked through a straw from a glass of orange liquid; this, it transpired, was a mixture of Lucozade and a high-calorie food powder.

He explained matter-of-factly that the internal muscles degenerate with the external ones, so that breathing, voice and eating are all affected.

'You can't chew, and you can't swallow properly, so you tend to choke.'"

The article continued:

"'Am I frightened?' he said. 'Oh no, how could I be? I've worked all these years with disabled people and, really, it's a kind of confirmation of my vocation. Before, it was always a case of me and them but I can now say, 'We disabled'.

'I mustn't be presumptuous—I may find that the physical difficulties get me down—but it has given me a kind of inner joy. If you're a Christian'"—

which, of course, famously, he was—

"'then you have to believe that the Christian way is the way of the Cross. I've had a good life. This is just something to be got round—a bit of flak on the way to the target."

That interview was entitled "My Fear and the Final Journey Home". It ended with Lord Cheshire saying that the only time he had been really scared during the war was when, after completing a particularly dangerous mission, he let his guard down for a moment and said:

"'We've made it...Give me a course for home.'"

At that moment his aircraft was caught by searchlights and he had a dreadful time escaping. He said:

"I've learned now never to say you're home until you've crossed that finishing tape.'"

Everyone who is diagnosed with motor neurone disease knows they are heading for the finishing tape. It is our duty to exert every scrap of influence we have to make sure that that final journey is as dignified and tolerable as it can be made.

10.6 am

Lembit Öpik (Montgomeryshire) (LD): I congratulate the hon. Member for South Derbyshire (Mr. Todd) on securing the debate with such apparent ease—first time lucky. If he is indeed reliable in matters of betting, perhaps he will, by way of intervention, indicate the likely winner of this weekend's grand national. That would make me very happy and give a quick way to make a considerable contribution to the coffers of the Motor Neurone Disease Association.

My involvement with the association did not come about for happy reasons. My father died of motor neurone disease in April 2005, and the hon. Gentleman and the hon. Member for New Forest, East (Dr. Lewis) accurately described exactly the process that takes place when someone experiences that affliction. In simple terms, the body shuts down from the outside in. As we know, the individual's intellectual faculties are rarely affected, so the disease is in some ways the antithesis of Alzheimer's, in which the body remains sound but the mind becomes frail. With motor neurone disease, the mind remains sound and observes the body becoming frail, until a person is indeed trapped—a prisoner in their physical form, knowing that it is only a matter of time before the end comes.

My view on the disease is exactly as that set out by the hon. Member for South Derbyshire: the experience of the disease is undergone not just by the immediate sufferer, but by the family and friends—perhaps more than in almost any other disease I have seen—because everyone knows where it is heading. Also, because of the difficulty in diagnosing this disease, it is, as we have heard, 14 months on average from diagnosis to death. In my father's case, it was a matter of weeks from him effectively diagnosing his own condition to his death. It is likely that affected individuals have the disease in their body for much longer, but we have not yet found a reliable form of diagnosis. That is a matter for research and it may offer a pointer in the direction of cure.

What is most remarkable about the disease, and what I have discovered since my first formal link with the association, is, first, the inescapability of the outcome. People pretty much know that they are going to die from the disease at the point of diagnosis. The second remarkable thing is the irrepressible outlook of those who experience the disease. The hon. Member for New Forest, East described the archetypal viewpoint of many who suffer it. When I started visiting the association's branches and seeing those who suffer from MND, I recognised their positive acceptance of

the circumstance. I have little doubt that that acceptance, in itself, extends the lives of those who suffer the disease.

One often sees a degree of black humour, but there is always warmth and rarely resentment about the cards that life has dealt. That is salient to the matter of non-invasive ventilation. The better the care of those who have MND, the better their outlook and the less abandoned they feel, and the stronger their physical ability to extend what life they have left to them.

What is most encouraging about non-invasive ventilation is the relative simplicity of the technique. It is not rocket science. It does not even involve oxygen. It involves pumping hot air into the lungs. In essence, it helps weak lungs to breathe more normally through the use of air pressure. That is very much it. As such, it is not difficult. One has to be an expert to understand how it works and to be a practitioner, but compared with the many challenges faced by medicine these days, it is not top of the technological list. In that sense, it produces beneficial effect with relatively little difficulty. That is why it is called non-invasive ventilation.

We should remember what non-invasive ventilation does. If one cannot breathe, one cannot sleep; if one cannot sleep, one becomes tired, which weakens one's ability to fight the disease. Ultimately, the lack of respiratory capacity leads to death. Indeed, that is how my father died. As we heard, non-invasive ventilation improves not only the immediate quality of life, but, on average, adds seven months to the lives of those with the disease. I recognise that seven months is half the usual span from diagnosis to death, but it represents a 50 per cent. increase in survivability. That is 50 per cent. not only for the sufferer; for the reasons I have described, it is also 50 per cent. for the families.

I am persuaded that the research is robust. It has already been cited, but is so important that I shall cite it again. It is by S.C. Bourke et al, published in volume 5, issue 2, pages 142-47, of *The Lancet Neurology* in February 2006, and entitled, "The effects of non-invasive ventilation on survival and quality of life in patients with amyotrophic lateral sclerosis: a randomised controlled trial".

I put that on the record for those specialists and correspondents who take a particular interest in the disease. They will see how clear-cut and unequivocal the research is. Indeed, in a complementary prospective study, non-invasive ventilation increased survival in MND sufferers by almost 11 months, so there is little doubt that it does what people claim. Practitioners are completely persuaded that this is the way to go.

The people of New Forest, East are blessed in two ways. First, they have an outstanding Member of Parliament, in the hon. Member for New Forest, East—for the purposes of this debate, my hon. Friend. Secondly, they have an outstanding medical facility in Southampton hospital. Last year, in my then capacity as president of the association, I had the honour to visit that facility, and it was made perfectly clear that, together with other forms of support, non-invasive ventilation is an important tool in combating premature death from the disease.

That being so, it seems obvious that non-invasive ventilation should be readily available to those with motor neurone disease who are capable of benefiting from it. Yet, as we have heard, fewer than one in 30 victims of the disease has access to it. I am sorry to say that my constituency of Montgomeryshire is very much a black hole, and as far as I can ascertain, there is no availability whatever of that methodology in the area. I therefore hope that we can make a practical intervention today on the methodologies available to MND sufferers throughout the United Kingdom.

We should think about the figures: with 5,000 people suffering MND at any one time, fewer than 200 are experiencing the benefits of non-invasive ventilation. The delay is baffling. Those hon. Members who have already spoken share my bemusement. The hon. Member for South Derbyshire said that thousands will have died by 2011, and the hon. Member for New Forest, East said that 8,000 are likely to die in the time it will take the Department of Health and the National Institute for Health and Clinical Excellence to reach a conclusion about non-invasive ventilation.

I do not believe that five years is an acceptable delay, given that we already have something that is proven to extend life by a considerable degree. Furthermore, it is usual that caution should be at the heart of such delays. So many times I have heard people saying, "We would like to do it, but we have to make sure that there are no unintended consequences." I cannot believe that there is any unintended consequence or any careless oversight, the damage caused by which would exceed the damage caused by the premature death of people who would have lived longer had they received non-invasive ventilation.

The cost-benefit calculation must surely be in favour of the expeditious implementation of a relatively inexpensive methodology, which has been tried and tested thousands of times, with individuals consistently praising the benefits of the ventilation technique. I am guessing, but I assume that this is caution. However, that caution is itself creating the unintended consequence of people dying more than half a year sooner than they would otherwise have died.

The only other possible explanation is that of prioritisation—other methodologies are so important that they exceed the benefits that sufferers gain through non-invasive ventilation. I would be interested to hear whether that is the Minister's view, but I suspect that that is not the case. The association knows that NICE has been considering the matter, but although NICE's work is unquestionably worth while, the association argues that introducing non-invasive ventilation treatment is a far higher priority than some of the other choices.

The long-term solution is to find a cure. That is an important element in the association's work. During the past decade, we have made more progress in dealing with the disease than in the rest of medical history. The primary objective of the association has changed from care to care and cure. The care agenda is all that it had when there seemed to be no prospect of a clinical solution to this dreadful disease. However, some of the best medical researchers and practitioners in the world are hard at work on the case. I praise the work of the association's global symposium in Birmingham last year and give credit to the Minister for opening that symposium— the first time that a Minister has done so in the history of symposiums on this matter.

The parallel objectives of care and cure are exactly the right way for the association to go. In recognising the importance of introducing non-invasive ventilation, I hope that we do not take our eye off the ball, as curing

[Lembit Öpik]

the disease would obviate the need for many of the support mechanisms. I have previously described the search for a cure as attempting to complete a 1 million-piece jigsaw when one has only a few pieces. Ten years ago, we probably had two or three, and now we have a few dozen, but as that investment is made, the pieces will begin to fall into place exponentially.

I praise the Government once again for their support in the campaign to raise £15 million, as an initial target, for the cure fund. The former Prime Minister, Tony Blair, was very supportive of that campaign, and the current Prime Minister was responsible, with other Ministers, for securing the potential for match funding of £7.5 million towards specific projects designed to research and test cures. I am glad to report that more than £12 million has been raised towards that £15 million target—three years ahead of schedule. I am optimistic, therefore, that the cure route will ultimately prove to be the long-term solution to all that we are discussing. It will save money and lives.

In the shorter term, however, we must find ways to care for those who cannot be cured. Our mission is to find a cure not for death, but for a specific and particularly cruel form of death—motor neurone disease. Until then, we must do our best for those who cannot be cured and who accept their fate in stoic and—usually—optimistic mood. NIV is simple, relatively cheap and the single best intervention for extending the life of a person with MND. Fewer medical investments are more capable of helping the health service to achieve its stated goals of improving quality of life and saving lives.

For all those reasons, I fully support what hon. Members have said today. Will the Minister now agree to the MND Association's humble request to prioritise the work on NICE NIV clinical guidelines from April 2009? The association believes that, with planning and consideration, it should be possible to prioritise the necessary work on NIV and to get it on stream relatively quickly—certainly this year. It can be done, and we have all agreed that it will be done at some point, but please let us not wait until 2011, when many more people will have died without having been given the opportunity of that priceless improvement in their quality of life.

For the sake of the thousands of UK residents experiencing MND and the thousands of families living with them, and for the sake of saving lives that cannot yet be saved but which can be made longer and more comfortable, I hope that the Minister will accord with our request. The value of this cannot be measured in the money that it costs; it can be measured only in love, compassion and humanity. I hope she will oblige.

10.23 am

Mike Penning (Hemel Hempstead) (Con): It is a pleasure to take part in such an important debate, which has included contributions from hon. Members who have personal experience of motor neurone disease and are members of various relevant groups.

I congratulate the hon. Member for South Derbyshire (Mr. Todd) on securing the debate. We have already heard how lucky he has been in so doing, but luck travels with us when we have a really important debate on something that touches people's lives. Fate moves in strange ways, as might have happened in the Speaker's Office when the debates were being plucked out of the box. I praise the work carried out by the all-party group on motor neurone disease and the hon. Gentleman, who chairs it. He touched on many aspects of the excellent work done by the Motor Neurone Disease Association.

I was not down to respond to the debate on behalf of Her Majesty's Opposition until about half-past 4 last night, so a tiny piece of sleep deprivation took place while I caught up with the subject area, but it was self-induced, because once I started to read about the disease and non-invasive ventilation, I became more and more interested in why things have taken so long. Even though I did not get its brief, the association's online services are fantastic. Most of my data will be identical to those already used, but that is useful, because at least I shall not make a huge gaff by quoting the wrong things.

My hon. Friend the Member for New Forest, East (Dr. Lewis) made a powerful speech and talked about referrals. In certain parts of the country, including his own constituency, referrals relating to such technology and other wonderful facilities are available. However, we have heard from the hon. Member for Montgomeryshire (Lembit Öpik) about huge holes in that respect. The National Institute for Health and Clinical Excellence was supposed to create a level playing field across the country to guard against such holes.

The hon. Gentleman's personal experiences were brought out in his speech, and his passion, as president of the association, is there for all to see. He mentioned our enormous lack of knowledge in diagnosing the disease early enough and the importance of having experts in place who know what to look for. While reading the research last night, I was shocked to discover how far advanced this terrible disease can be before someone realises. He told us how his father realised before anyone else. It is amazing that such a situation can arise in this day and age. I wish the all-party group and the association every luck in their work and in raising the money needed.

Lembit Öpik: I have now handed the presidency over to Colin Blakemore, former head of the Medical Research Council, who has seen fit to apply himself to that work because we are making so much progress in research. I am also encouraged that, on examination of the data, the hon. Gentleman came to the same conclusion as the rest of us in this Chamber, and I hope he will join me in encouraging the Minister to take the steps we are looking for today.

Mike Penning: I certainly shall encourage the Minister, and I would like to know how we got into this situation. In the interests of MND sufferers and of ensuring that this does not happen to other needy people, we need clinical guidance. However, no one has pointed out the fact that NICE cannot be used as an excuse for not providing the treatments that people require. All primary care trusts can consider the clinical evidence and needs, and make those decisions themselves. NICE was set up to allow for a more level playing field and to move us away from the postcode lottery, as the hon. Member for

South Derbyshire said, but it must not be used as an excuse for delaying treatments or failing to give medicines to needy people.

Mr. Todd: The point has been made about the unevenness of neurological diagnosis ability and expertise in this area. As a member of the governing party, I must mention that our shortage of highly qualified neurologists relative to other countries makes the situation regarding the accurate prescription of such treatment more explicable. We must give attention to that area. The hon. Gentleman is right that it would be wrong to say that the absence of a NICE judgment provides an excuse. Highly qualified people are in place who ought to be making those judgments for themselves.

Mike Penning: I agree with the hon. Gentleman that the NHS and the Department of Health, through its guidance, have overall responsibility for addressing these problems. I am not blaming them for individual cases, because, obviously, we have devolved power to the trusts and PCTs, but NHS governance is essential. The chief medical officer, Ministers and the Secretary of State need to ensure that such problems do not occur.

It is clear from today's evidence, which was so deep and passionate, that this is a real problem. How come so few people, whom we sadly know will die, are having their life experiences and expectancies improved by NIV? Of course, NIV is not perfect for everyone. There are some people for whom it will not help, but it will help a lot more than 3 per cent.

There is no logical reason why NICE cannot improve the situation quickly. As always, one of its concerns relates to negative outcomes. If it is considering a new drug or procedure, it worries that there will be negative outcomes. I have not seen or heard anything from the clinical evidence to suggest that there are negative outcomes from such a procedure. The only things it can do are not help very much or help greatly; it can enhance someone's life.

For example, NIV can help people to sleep through the night, which enables the carers and loved ones to have a good night's sleep. That helps them to come to terms with this terrible illness and the fact that they know that their loved one will die. Moreover, if the sufferer has a portable pack—the system is battery operated in most cases—in the latter stages of the illness, they are able to get out and about and interact with other people, which improves their life experience.

I know that I am no expert, but I cannot see why the procedure is taking so long. I could understand if we were talking about a dangerous drug or procedure, or if this procedure had side effects, but in this particular case it does not.

It normally takes about three months for Ministers to refer a matter to NICE, but this has taken nearly three years. Will the Minister tell us why it has taken so long? I know that the matter has been raised by other hon. Members. I am talking about not just this procedure, but procedures we will follow in future. We need to learn from the mistakes that have been made. Moreover, why do we still have the requirement that a Minister of State has to refer a matter to NICE? Why can NICE not make its own decisions?

If we want to take politics out of the NHS and allow clinical experts to make decisions on our behalf, why does a matter still have to go to the Department of Health for the Minister to make a decision on the referral? Surely, such decisions are for NICE to make, and to make a lot earlier. For example, it could make a decision as trials come towards their end—there is no need to wait for them to finish—and then refer the matter to the Minister. It could then be referred back to NICE. NICE should be engaged at the latter part of trials, which would speed up procedures all the way through.

We have had an excellent debate and some passionate and informative speeches from people who are much more knowledgeable on the subject than me. I encourage the Minister to look again at the procedures and to use whatever powers she still has to ensure that NICE introduces such a procedure as soon as possible, to ensure that people do not use the lack of NICE guidance as an excuse for not making the procedure available throughout the country. She should also consider the shortages relating to clinical expertise. Please give people with this disease the opportunity to have a better and longer life. Although the disease is, sadly, incurable, we can still give sufferers much better life experiences.

10.34 am

The Minister of State, Department of Health (Dawn Primarolo): I congratulate my hon. Friend the Member for South Derbyshire (Mr. Todd) on securing the debate. I pay tribute to him for his work as chair of the all-party group on motor neurone disease and to the valuable work that is undertaken by the Motor Neurone Disease Association.

I also congratulate the hon. Member for Montgomeryshire (Lembit Öpik), who spoke in a very quiet but assertive way about this important subject, and the hon. Member for New Forest, East (Dr. Lewis), who said that he felt out of his comfort zone because he was relatively new to the subject. I do not think he was out of his comfort zone at all given the eloquence with which he spoke. He made some very moving points about the huge contributions that Lord Cheshire made.

Many of the points my hon. Friend the Member for South Derbyshire made about the process of considering guidelines for non-invasive ventilation for motor neurone disease are valid. I agree with him and other hon. Members that NICE undertakes an incredibly important and delicate process of assessment for the NHS. Over 10 years, it has made considerable progress, but the job is not finished. In responding to the debate, I want to explain—as the hon. Member for New Forest, East asked me to do—what lies behind the decisions, and what the extenuating circumstances are for the long delay in referring this topic. Such a delay is deeply regrettable and something for which I am personally sorry. My hon. Friend is entitled to an explanation of some of the consequences that lie behind the delay. I will outline how I intend to help the matter proceed.

My hon. Friend is right that the topic was originally put forward for NICE guidance in 2006 and finally referred to NICE as a short clinical guideline topic in November 2008. It might be helpful if I say a little about NICE's clinical guidelines programme, and recap briefly on the process whereby topics for NICE are chosen.

[Dawn Primarolo]

NICE's clinical guidelines programme is the largest such programme in the world. To date, NICE has published more than 80 clinical guidelines, addressing major disease areas such as mental health, cancers and cardiovascular disease, and a further 40 guidelines are in development.

However, even a programme of such world-leading scale cannot develop guidance on every topic where it might be of value. NICE's work has to be prioritised, and a clear process is in place for that to happen. That touches on the point made by the hon. Member for Hemel Hempstead (Mike Penning) about how topics get referred. Topic ideas may come from a dedicated horizon-scanning team, which actively identifies new drugs and technologies. Anyone can suggest a topic for NICE guidance using the suggestion form on NICE's website, and many groups and individuals do so every year. Suggestions are then sifted to ensure that NICE guidance is appropriate and does not duplicate existing work. Topics are then prioritised by one of seven multidisciplinary consideration panels at NICE before being considered by a small group chaired by the NHS medical director, which makes recommendations to Ministers. The process was introduced in 2006 and is designed to be as open as possible while dealing with the large number of suggestions that NICE receives each year.

In this case, the topic selection process took far too long to consider the guidance suggestion. The reasons behind that delay, as I understand it, were threefold. First, when the topic was suggested for NICE's work programme in 2006, there was a backlog of hundreds of topics awaiting consideration. The changes made to topic selection arrangements in 2006 were designed to address that situation but the backlog took time to clear.

Secondly, there was a discussion between interested parties on whether the topic would be most suitable for NICE's short clinical guidelines or for its technology appraisal work programme. That was important in ensuring that the product NICE developed for the NHS was the most appropriate to support the delivery of care to that group of patients, but the process took too long. There are many complexities, and I do not want to go back over them.

Mike Penning: Will the Minister give way?

Dawn Primarolo: I should like to give the three reasons for the delay before I give way. To make it absolutely clear, I am not condoning the delay, but Members are entitled to know what actually happened, what we have done about it, and what happens in future.

As I said, the deliberations are necessary to ensure that NICE addresses the guidance topic through the appropriate route and develops the kind of advice that the NHS needs. In this instance, that took too long.

Thirdly, internal staffing problems in NICE played a significant role in the delay. It would not be appropriate for me to go into detail, but I assure my hon. Friend the Member for South Derbyshire and all other hon. Members that lessons were learned to ensure that, if at all possible, such a thing never happens again. Ministers can never say never but, with all due certainty, I can say that it will not happen in future.

The cumulative effect of those three events meant that it was not until November 2008 that the topic was referred to NICE. As I have made clear, I am not condoning that; I am explaining the situation to hon. Members because they are entitled to an explanation.

Mike Penning: I thank the Minister for her description of what was happening, and I realise that she is not condoning the delays. What was the period between the committee referring the matter to the Minister and the Minister referring it to NICE? If the Minister cannot answer that question today, perhaps she could drop me a line.

Dawn Primarolo: As I understand it, the period was very short indeed. The role of Ministers is now to formalise the work that pre-dated the request for them formally to refer something to NICE. I was not personally involved in this case, but in others where I have been involved, we would be talking about an incredibly short period.

Mr. Todd: The Minister is helpfully explaining what has happened. The Motor Neurone Disease Association was in regular contact during the nearly three years of delay, trying to find out what was happening and what the delay was, so it was not a case of saying, "Well, we have told them once, and now we are waiting for something to come out of the other end of the tube." It would be helpful if the Minister described the review process that presumably happens when there are such repeated contacts.

Dawn Primarolo: I will be happy to write to my hon. Friend on the detail. However, I understand that the discussions did not involve the MNDA pressing the question why a decision had not been made. Rather, there was an interaction with the association about what the process and its outcome should be. Of course, I will look into it further.

My hon. Friend has written to the chief executive of NICE about the time taken to refer the topic decision and I am assured that he will receive a full reply very shortly. I have asked to be copied in when the reply is sent because, undoubtedly, lessons can and will be learned from the process, although, ultimately, the rate at which NICE can develop guidance will depend in large part on its guidance capacity.

The hon. Member for Hemel Hempstead asked how long it took the Minister to refer the matter. The submission went to the Minister on 20 November and it was referred on 26 November—in the same year—which is what we would call a reasonably prompt turnaround.

The topic has now finally been referred to NICE's short clinical guidance work programme. It has ensured that the topic will be in its work programme at the earliest opportunity. As my hon. Friend the Member for South Derbyshire mentioned, NICE expects to commence work later in 2009, but I will return to that matter. The issue is NICE's guidance production capacity. Although NICE is an extremely valuable body and the resources that we have made available to it have grown considerably since it was established 10 years ago, any Government

would need to consider the balance—the need for proper resourcing of NICE and the prioritisation of funding for front-line services.

I do not condone the delay, but NICE fulfils an incredibly important, delicate and often difficult function. It has to prioritise topics for guidance and strike the right balance between the speed of guidance development and accuracy to ensure that it is robust. At the same time, it must also confront the sheer scale of medical innovation and clinical care and the flow of new ideas, evidence, treatments and drugs that are constantly emerging.

The Government recognise the importance of timely NICE guidance both for patients and the NHS, as well as the need to build NICE capacity and expand it in new areas of activity. That was a central message of last year's next stage review. As well as reducing the time it takes NICE to produce guidance on new drugs, we have worked with it to introduce the shorter clinical guidelines process, which is specifically designed to allow NICE to tackle guidance topics that do not need a full clinical guideline. So far, it has published short clinical guidelines on a range of issues.

The Department of Health is working with NICE to see whether it is possible to expand the capacity of the short clinical guidelines programme, through which the topic is being addressed, which could mean that it is able to start work earlier than is currently planned. I will ensure that my hon. Friend is kept fully informed of progress as we seek to move the discussion forward. My colleague, Lord Darzi, is looking at the issue with a view to identifying further action for the Department to take in the near future.

Dr. Julian Lewis: I thank the Minister for the comprehensiveness of the account that she is giving. In her work with NICE on the possible expansion of the short clinical guidelines procedure, will she especially raise the point that, as my hon. Friend the Member for Hemel Hempstead (Mike Penning) indicated, separate consideration ought to be given to cases of this sort, when we are not talking about drugs but about relatively simple physical procedures? There should be an accelerated consideration of such cases, because the prospect of adverse side effects is vanishingly small.

Dawn Primarolo: I confirm that that is precisely what the introduction of the short clinical guidelines programme seeks to do. One of the reasons for the delay of the referral—I gave the three reasons earlier—was uncertainty about which programme the topic should have been in. I am trying to provide information, but the House will not gain anything if I look back and say, "The delay may not be to do with the Department or NICE," or, "So and so did this or that, which caused a delay." The urgent questions to address in this debate are: what were the delays, were they reasonable—I do not think that they were—what lessons have we learned to ensure that the same situation does not arise again, and what are we doing to ensure the timely consideration not only of this case, but of other short clinical guidelines programmes?

Lembit Öpik: Before the Minister comes to what I imagine will be her concluding remarks, may I say that I am encouraged by what she is saying? If she is saying, in effect, that the NICE system is to start considering the opportunity costs of not making quick decisions—not just on motor neurone disease treatments but on other things as well—that is encouraging. If she is also saying that the informal conversations that she is having about non-invasive ventilation recommend that NICE might wish to make a judgment about the benefits of delay versus the benefits of immediate implementation, given the very small risks that have already been described, she is saying something that everybody in this Chamber, the Motor Neurone Disease Association and victims of the disease want to hear.

Dawn Primarolo: I am not putting myself in the place of the clinical experts on whom I as a Health Minister rely absolutely. The hon. Gentleman knows from discussions on the Human Fertilisation and Embryology Bill, for instance, and from the good research that can now be done with embryonic stem cells, that we depart from the best clinical and scientific advice at our peril. I shall not do that today. The process that he just described is the one that is supposed to be in place and that works now. Looking back to 2006, when this particular case started, a number of things happened that, regrettably, slowed it down. I believe that the changes made should ensure that does not happen on any referral in future.

However, that still leaves us with the important question that the hon. Gentleman and others asked: when will NICE consider the issue? I told him what NICE said originally. All the issues are priorities. NICE is not picking and choosing. I hear what the hon. Gentleman says about high priority, but he knows as well as I do that the national health service treats some 1 million people every 36 hours. All the complexities that our staff must handle and the fantastic things that they can do with the help of science, drugs and technologies—some of which he mentioned in relation to motor neurone disease—make choosing priorities a difficult job. They are all of equally high priority, but we are taking them forward.

The hon. Members for New Forest, East and for Montgomeryshire expressed concern about the thousands of patients who, they said, had died prematurely and in circumstances that all of us would want to alleviate, as a result of the delay in developing guidance on the topic. I understand their perspective absolutely, and I respect the passion with which they spoke on the matter. The hon. Member for New Forest, East went on to answer his own question. If there is good evidence that a treatment works well and it appears to be a good use of resources, the NHS should not hide behind the lack of guidance from NICE, as the hon. Member for Hemel Hempstead mentioned. We have made that clear repeatedly to the NHS.

Most of the services delivered by the NHS have not gone through NICE, but the NHS does not say, "We're not going to do this because NICE hasn't considered it." NICE is about trying to reach more sensible and equal decision making across the NHS. The Government have always maintained that the absence of NICE guidance on treatment does not mean that individual PCTs should decline to make funding decisions on individual treatments based on assessment of the evidence. I have written to primary care trusts on that subject. Lack of guidance alone is not an acceptable reason for not funding treatment. I have made that clear.

The hon. Member for New Forest, East complimented his health service on its performance in that respect and

[Dawn Primarolo]

on the excellent services provided in Southampton. We have made it absolutely clear what is expected, how NICE should play it and what the Government's role is, and we will continue to do so.

Mr. Todd: That relates to the point that I raised when intervening on the hon. Member for Hemel Hempstead (Mike Penning) about the unevenness of distribution of expertise on a disease that is not prolific. Many people will not encounter motor neurone disease more than once or twice in a clinical career. Partly for that reason, we must address it through a NICE process, but it is worth making the point that the Minister is making. The remedy lay in the hands of the NHS all along, as Southampton illustrates.

Dawn Primarolo: I agree absolutely with my hon. Friend. Most neurologists—there are some 900 of them in the UK—are involved in the diagnosis of MND, and many are involved in multidisciplinary local MND teams. The vehicles do exist, but NICE guidance would undoubtedly help. That is why the association requested that such guidance should be undertaken.

I have done my best to reassure Members about the prioritisation process now and to explain why the situation occurred. The hon. Member for New Forest, East asked why it took so long. I have tried to explain that. He asked whether it was acceptable. I have explained that I do not think that it is. He also asked whether the treatment was prioritised. I have explained that NIV is, and that we are taking it forward.

In conclusion, to encapsulate where we are going now, I congratulate my hon. Friend the Member for South Derbyshire once again on securing this debate. I thank him for the powerful arguments that he has made. I do not pretend for a moment that the handling of that important guidance topic has been in any way satisfactory, and I have outlined some of the factors at work, although they are no excuse. I hope to be able to reassure him that I acknowledge the regrettable problems that have occurred and that we and NICE have learned lessons from the experience. NICE will be progressing the topic at the earliest opportunity and, as I have promised, I will ensure that my hon. Friend is kept fully informed of developments. I leave it to him to tell me whether he will pass that information on to other hon. Members who have taken part in the debate, or whether he would like me to do so.

Mr. Todd: I will gladly pass the information to other members of the group and those interested in the issue.

Dawn Primarolo: In that case, I am grateful for the opportunity to explain the position and how the Government intend to take things forward. As I said, delays occurred and I have explained why, but I do not condone them. I hope that the House is satisfied that I intend to take the matter forward with great vigour to ensure that the situation is addressed.

Nuclear Energy

10.59 am

Mr. David Heathcoat-Amory (Wells) (Con): It is a pleasure to see you in the Chair, Mr. Illsley. I know that you have an interest in energy policy. I sought this debate because although nuclear power is not often debated in the House, it is important, particularly in the wider context of Britain's energy and environmental policies. All countries need energy, and all advanced countries need secure, dependable and economical energy supplies. As electricity is the most versatile and adaptable form of energy, this debate will largely be about electricity generation.

Due to a combination of short-sightedness and wishful thinking, this country faces a looming energy gap between future demand and supply, because we have been decommissioning our nuclear power stations without replacing them. Many stations have already been decommissioned, and the rest will largely disappear in the next 10 years. Coal has also declined in importance: many coal-burning stations are increasingly obsolete and will fall victim to the tightening regulatory system, particularly the EU large combustion plant directive, which will take them out of service. So far, the difference has largely been made up by burning more gas. Incidentally, the so-called dash for gas was largely the reason why the Government were able to claim that they had complied with the Kyoto commitment on carbon dioxide stabilisation. That happened anyway, because gas produces less carbon dioxide per unit than does coal, and was nothing to do with what the Government had done elsewhere.

The massive switch to gas burn cannot continue for ever, and is becoming expensive. There were significant price rises last year, which have not been fully reversed, and which created a lot of grief both domestically and industrially. Also, gas reserves around our shores are declining—it is not just North sea oil that is running out—and we are having to import more and more gas. Indeed, we will soon be overwhelmingly dependent on imported gas from countries that, by and large, are unstable, unfriendly, or both. Many of those gas-exporting countries clearly use their energy exports as a foreign policy tool. Russia is a good example of that. Europe, as a whole, is very dependent on Russian gas, but those supplies are interruptable, and this country is at the end of the pipeline.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): I am grateful to my right hon. Friend for making that point about gas, but does he acknowledge that the new liquefied natural gas terminal at Pembrokeshire, in Wales, is extremely important? Does he, like me, support the project being put forward by Cantaxx to take on LNG in Anglesey and deliver it through a pipeline to Preesall in Lancashire? Those projects are part of the energy mix, and I hope that they both prove successful.

Mr. Heathcoat-Amory: I do know of those projects, particularly the one into south Wales, but the gas is derived from the middle east. It comes from a friendly country there, Qatar, but the middle east is not known for its political security. Also, the gas comes by sea, so, although those imports and that system are very welcome, they do not give the security of supply that I seek for the overall future of British energy sources.

John Mason (Glasgow, East) (SNP): Does the right hon. Gentleman accept that when it comes to security of gas supply, England and Scotland are completely different, because Scotland has sufficient gas to last until at least 2020?

Mr. Heathcoat-Amory: The hon. Gentleman may be proposing that Scotland is somehow not part of the United Kingdom, but I look at the UK as an energy unit, and I think that Scotland would be ill-advised to shut off the nuclear option and rely entirely on gas, if that is what he is suggesting. However, I shall discuss alternative supplies later.

First, I am setting the scene for the future of the UK's energy sources, and I am afraid that the Government have done nothing about the problem, if they saw it coming. We have had a succession of anti-nuclear Secretaries of State, who have ignored the problem of replacing nuclear power stations, while signing up to ever more demanding CO_2 reduction targets. We are now committed to a CO_2 reduction of 80 per cent. by 2050. That is well beyond the term of office of anyone here, which might be why those promises are being made now, but it is irresponsible to set targets and to will the end without willing the means. Apparently, the Government are relying on a vast expansion in renewable energy.

John Robertson (Glasgow, North-West) (Lab): Does the right hon. Gentleman accept that Conservative Front-Bench Members have not been consistent on this matter? He is right to criticise us for not being further down the line than we are, but does he accept that we have at least grasped the nettle, and have taken the issue on by going forward with nuclear?

Mr. Heathcoat-Amory: I am not exempting any party entirely from my strictures. I was once a Minister in the Department of Energy, and I had responsibility for the nuclear industry. I tried my best to keep the nuclear flame alight, if I may use that metaphor, but the mood at the time was very much against it, as there had been a number of accidents and nuclear power was clearly uneconomical when compared with fossil fuel. However, Labour has been in charge for the past 12 years, and its Secretaries of State have taken an almost explicit anti-nuclear stance. That is what I am criticising.

Albert Owen (Ynys Môn) (Lab): I do not want to get into a partisan argument on this matter, and I accept that we have dragged our feet with new nuclear build, but my constituency is now getting a second, new nuclear power station for which plans were first laid in the mid-80s. I accept what the right hon. Gentleman says about the anti-nuclear climate, but one reason why that power station did not go ahead earlier was that before 1996 the Government had nowhere to put the waste, and did not make a decision. Does he accept that that long-term problem has caused the industry to contract in many ways?

Mr. Heathcoat-Amory: I agree that Governments of all complexions have not solved the problem of deep-storing or disposing of nuclear waste, but I do not think that that is the sole reason for the drift and negligence of recent years.

My point is slightly different. The Government are relying on another source of energy that is based largely on make-believe—a vast expansion in renewables. We are now committed to deriving 15 per cent. of all our energy requirements—not just electricity—from renewable sources by 2020, but we currently derive only about 2 per cent., and we are nowhere near getting to 15 per cent. within that time scale. That commitment is legally binding and will be in treaty law. We know that EU law is superior to national law, but I do not know who will go to prison when these commitments are not fulfilled—it will probably be another lot of Ministers in the future. Today's Government are signing up to a specific, legally binding commitment that is not attainable.

Some renewable technologies make sense, such as hydro and, possibly, tidal power, but the rest are usually small-scale and expensive. The Government are relying strongly on wind power. The Secretary of State has said that those who oppose having wind turbines where they live are antisocial—like people who do not wear a seat belt. Those who have to live next to such noisy, expensive and unreliable machines are being made to feel socially inferior. That is not a clever way in which to proceed. Wind turbines are also expensive and increase electricity prices for everyone else. They create fuel poverty and make industry pay more for its power costs. At the same time as we are industrialising the landscape, we are de-industrialising the rest of the economy. That is not a clever policy and it is certainly not one on which we can rely for many future years.

I want this debate to be about solutions, not just problems, blame and complaints. The solution both for energy security and the reduction of CO_2 emissions is to replace those nuclear stations, advance further and expand civil nuclear power in this country. We used to be a world leader in nuclear. We were the first country successfully to harness atoms for peace and to turn nuclear fission into a technology for the benefit of mankind. We led the world. The story is not altogether a happy one, and I am not starry-eyed about the nuclear industry. Mistakes were made and certain expectations were not fulfilled. However, by and large, it was a British success story. It is true that we were too slow to switch to water-cooled reactors—the French did that successfully before us, and all credit to them. We also never hit on a standard design of reactor to replicate and therefore we did not benefit from the successive production of a single reactor type. Despite that, our recently built reactors have largely performed well and safely.

The percentage of electricity supplied by nuclear climbed steadily and reached a peak of 27 per cent. in a fateful year—1997. I do not want to read too much into that. One could make all sorts of party political points, but it is a fact that during the past 12 years, there has been a steady decline in the percentage of electricity derived from nuclear stations. The figure is now down to around 15 per cent. At the same time, Britain has become a net importer of energy. The Government have now finally woken up, and their policy of drift and neglect is no longer sustainable.

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): I remember when the right hon. Gentleman was Energy Minister. Was it post-1987 when he had responsibility for the curve going the way that he is complaining about?

Mr. Heathcoat-Amory: I have already made the point that I was an Energy Minister about 15 years ago. However, during my time in the Department, the contribution from nuclear was still rising. I had something to do with Sizewell. I visited Sizewell, which was successfully commissioned and is now a good generator of power into the grid. I am not ashamed of the role that I played. I contrast that with the succession of White Papers that we have had from the Government, which have clearly sidelined nuclear and gunned for the illusion of renewables taking up the slack and replacing the nuclear contribution. On top of that, the Government hope that renewables will meet long-term commitments on the reduction of CO_2.

Lembit Öpik (Montgomeryshire) (LD): On wind turbines, whether one is for or against nuclear, is the right hon. Gentleman aware—as, indeed, my constituents are—that people have actually made a fairly objective judgment that such a variable source will not necessarily be able to provide base load in the way that nuclear unquestionably can? Has he done a price comparator on the costs of, for example, wind versus nuclear? The nuclear industry has given me the impression that it could operate without subsidy in terms of the commissioning operation, decommissioning and safety factors. Does he have a view on that point, which he might have been coming to?

Mr. Heathcoat-Amory: I was going to come to that point, but I will give the hon. Gentleman the price comparator now, which comes from an official source. The consultation document on the Severn tidal power scheme was published by the Department in January. On page 18 of that document there is a comparator of the costs, which gives the pounds per megawatt hour for a number of generating sources. Tidal power is somewhere between £104 to £317, which is very expensive at this stage. Broadly speaking, the next most expensive is power from biomass. Wind-derived power is a little more economical as the figure varies between roughly £70 to £80 per megawatt hour. Much cheaper than that, at £53, is energy from combined-cycle gas turbines and the cheapest source is nuclear at £38 per megawatt hour. On that basis, nuclear is far and away the cheapest technology listed by the Government.

The inescapable point is that we are in a weak position now because of a policy of neglect. One of the decisions made by the Government was, indeed, to sell off Westinghouse—our last remaining consortium capable of designing and building a nuclear reactor—to Toshiba. We now hear that the Government are selling off the commercial arm of the UK Atomic Energy Authority. Again, that is for all the wrong reasons and is to plug another gap—this time in the national finances. We are not in a position to take a lead anymore, even if we wanted to.

The Government apparently want eight new reactors in this country. They will now all be built by foreign consortiums—probably Electricité de France and Westinghouse. We are in a long queue now because the rest of the world also wants nuclear power. The population of the world is rising rapidly and will increase to at least 9 billion before the end of the century. Energy demand in developing countries is rising even faster, and the electricity component of that is rising fastest of all. The only hope of meeting that demand without having an enormous increase in CO_2 emissions is nuclear power. Worldwide, about 40 nuclear stations are under construction and over 100 more are in the planning phase. We could have led this revolution and done so much for our manufacturing base and engineering skills. Instead of that, we are now an also-ran. We are clowns, spectators, supplicants. It is a very sad story.

To give credit to the Minister, I think that he is personally aware of that. He knows that there have been policy mistakes and that we must do something about it. The Government have revised their cost estimates—I have already given them—which are highly favourable to nuclear power at the moment. In addition, nuclear power is secure. There is plenty of uranium left in the earth's crust and we have also stock-piled a lot of it. There is a great deal of uranium and plutonium at Sellafield, which can be used in future reactors, if they are adapted or built to take it. Fast reactors can make better use of uranium, and thorium is another element in the earth's crust that can be used for nuclear fuel. Thorium is even more abundant than uranium. We are not going to run out of nuclear fuel; it is stable and secure.

In operation, nuclear power is virtually CO_2 free. Of course, the reactors have to be built, and that absorbs a lot of energy, but exactly the same thing is true for every other power station. In operation, nuclear power is a highly effective, low-carbon source of power.

None of that makes nuclear power easy. As I said, I have no illusions about the problems. In the past, certain expectations were not met. It is a demanding technology, project management of the sites is complex, and the industry has not always been good at explaining itself. We have to be open with people and engage them in debate about the costs and problems, as well as the benefits, of nuclear energy.

There are hard choices to be made about energy, but often people do not want to face up to them. All forms of energy generation have an effect on the environment—that is inescapable. I agree with the point that has already been made that we have been slow to find a deep storage site for nuclear waste, but that vulnerability is a technical problem that can be solved.

Meanwhile, public attitudes have changed in favour of nuclear energy—again, no thanks to the Government. I wish that the last Prime Minister had used just a fraction of his political authority to lead the debate on energy. In 2004, I asked him about it at Prime Minister's questions. I criticised wind power and said:

"At the same time, nuclear power, which does make a positive contribution, will be allowed to wither away without replacement."

In reply, Prime Minister Blair stated:

"We made it clear in the White Paper that we have not shut the door on nuclear power, but until the issues of cost and public concern about safety can be met there is simply not the consent to go ahead with it."—[*Official Report*, 15 September 2004; Vol. 424, c. 1267-8.]

That was not leadership; it was totally supine. He did nothing to explain or meet people's concerns about safety. That was a missed opportunity.

Mrs. Gillan: Is there not another consequence of dithering, delay and pushing decisions out into the long grass? For example, the hon. Member for Ynys Môn (Albert Owen), who is the Member for Anglesey, has

always supported continuous generation of nuclear energy on the Wylfa site. Decisions now to extend the life of that power station will come too late. There will be a gap: as I understand it, it will not be possible to put in new nuclear power generation on the site until 2018, simply because the Labour Government have ducked the issues. They did not get to grips with them early enough.

Mr. Heathcoat-Amory: My hon. Friend gives a good illustration of what I am saying. It is now very late in the day to get into gear and do something about nuclear power to close the looming energy gap.

My main point is that there is a contrast between the rigid, legal, binding commitments on CO_2 reduction, and the vague, uncommitted way in which the Government speak about energy production. We have seen that in the succession of White Papers that I mentioned. In 2003, the most the Government could say was:

"This White Paper does not contain proposals for building new nuclear power stations. However, we do not rule out the possibility that at some point in the future new nuclear build might be necessary if we are to meet our carbon targets."

That is all that they could say about nuclear power when the stations were all being decommissioned and the energy gap was becoming more and more apparent. Even in 2006, the energy review stated:

"A new generation of nuclear power stations could make a contribution to reducing carbon emissions and reducing our reliance on imported energy."

But, again, almost nothing was done. There was no leadership, commitment, energy or determination.

Albert Owen: The right hon. Gentleman is making a case that somehow the Government, by moving forward, were not doing enough, but during that same period in 2006, the new leader of the Conservative party was not in favour of nuclear power. He was courting the green lobby and said that nuclear power should be the last resort. At the time, the Government were putting through the Climate Change and Sustainable Energy Bill and, indeed, a Planning Bill to help make nuclear power part of the rich mix. The Conservative leader was not doing that.

Mr. Heathcoat-Amory: I shall mention planning before I finish, but my attitude to nuclear power and the strictures and comments that I make are applicable to all political parties. My party will come into office either this year or next year—I believe by implication that the hon. Gentleman recognises that—and we will inherit these problems. I hope and have confidence that my hon. Friend the Member for Tunbridge Wells (Greg Clark) will do something about the problem and not simply produce a further succession of White Papers that ignore the problem.

Mr. Mike O'Brien: The right hon. Gentleman is making a partisan speech. He has just been challenged on the fact that the current leader of his party, at the very time when this Government were saying that we need to move to building more nuclear power stations, was blind, complacent and ill-informed about nuclear power. He rejected it and said that it should be the last possible option. Does the right hon. Gentleman not accept that much of his criticism should go not just to his party in the past—even when he was Energy Minister—which failed miserably on this issue but to its current leader?

Mr. Heathcoat-Amory: I shall not repeat what I said earlier. I am making these points about nuclear power to people of all parties and all persuasions, and I am totally certain of my views on it. The Minister is part of the Executive. He is in office, it is his responsibility and it is his Department and Government who have failed. It is intriguing that they are now more and more interested in our views and what we will do.

I have confidence that my party will take forward these policies, and I hope that we will hear from my hon. Friend the Member for Tunbridge Wells that he is not anti-nuclear, that he sees the importance of what I am saying and that we will do something about it. It will be difficult and urgent, precisely because of the failures of policy that are only too clear from the succession of White Papers, all of which are on the record.

I believe that the private sector must finance, build and operate the reactors, but the framework is inescapably the responsibility of the Government, who regulate, approve and tax the industry. They are responsible for the planning system and for setting the environmental policies to which I have already referred. They are inextricably part of the nuclear programme, and that is where they have failed.

I hope that when the Minister replies to the debate he will be suitably humble about past mistakes and candid about the constraints under which he now operates. I believe that he wants eight new reactors built in this country. Will they be built in time to close the energy gap to which even the Government have referred? What supply bottlenecks has he identified, and where are the skills shortages, which we know exist? Specifically, the nuclear installations inspectorate is short of inspectors and skilled personnel to carry out generic design assessment. The shortage has been investigated by the Government, and they have had a report on it. What are they doing about it? Only they can deal with that urgent matter.

Finally, what part is this country playing in the design of the next generation of nuclear reactors? Another mistake that the Government made was to withdraw from active membership of the Generation IV International Forum. That was certainly a mistake because new reactor designs can make better use of existing fuel. They can burn plutonium—indeed, even from warheads. They can operate reactors at higher temperatures and thereby produce hydrogen as well as electricity, and they can be more proliferation-resistant. This country must be part of developing that dynamic technology.

I hope that when the Minister replies he will tell us not simply about the past but about the future. Will we be part of the nuclear industry as it evolves, or will we yet again be relegated to the role of spectators and sub-contractors?

Several hon. Members *rose—*

Mr. Eric Illsley (in the Chair): Before calling the next hon. Member, may I point out that I am required to call the Front-Bench spokesmen from midday? I urge Members to make short speeches, so that all Members can take part in the debate.

11.29 am

John Mason (Glasgow, East) (SNP): Thank you for the opportunity to speak in this debate, Mr. Illsley. I shall start on a personal note. My father spent his whole working life in the electricity industry, with one company. He was very committed to his work; we were not allowed to have gas in the house; and I remember that, once, we had a family day out to Hunterston nuclear power station.

Despite all that, I think that nuclear energy has many disadvantages, not least its costs. The UK Government estimate the cost of a new plant to be £3 billion, and Finland, as well as facing many delays with its new developments, talks about the cost being £4.3 billion. Furthermore, nuclear clean-up could cost anything between £73 billion and £90 billion.

Reliability is often mentioned, but, in 2006-07, Hunterston's reactor 3 was off for 353 days and its reactor 4 was off for 244 days. On reliability throughout the UK, in 2004, there were unplanned outages at Heysham 1 and Hartlepool; in 2005-06, there were prolonged unplanned outages at Hartlepool and Heysham 1; and, in 2006-07, there were losses due to boiler issues at Hinkley Point B and Hunterston B. It is often said that wind power is not reliable for electricity production, but, from a Scottish perspective, I can confirm that wind is pretty consistent, and it is used widely in Norway, Canada and Iceland, where they have a mix of renewable sources for electricity production. Hydroelectricity is very flexible and can be switched on and off easily.

On the environment, Greenpeace said:

"Nuclear Power can only deliver a 4 per cent. cut in emissions after 2025... too little too late at too high a price."

I shall mention renewables later, but, even if we use coal and gas, we can improve on carbon emissions and we could have clean coal technology. Indeed, we could have had carbon capture at Peterhead, but the UK Government blocked it.

Each country should deal with its own radioactive waste, and Scotland is committed to keeping its waste in Scotland. We should not send it to England, and nor should English waste come to Scotland. There is a lack of skilled engineers to fill many of the jobs that the right hon. Member for Wells (Mr. Heathcoat-Amory) mentioned. The nuclear industry has been run down, and this country is not going to get many jobs if it has no skilled engineers.

Nuclear power generated 26 per cent. of Scotland's electricity in 2007, but, in reality, we produce more electricity than we require. We export 20 per cent. to England and Northern Ireland, and Scottish consumption from non-nuclear sources in 2007 was 87.8 per cent. It could have been 92.5 per cent. Scotland is not in a weak position, as the right hon. Gentleman said. That argument applies to England: England may be in a weak position; Scotland is not.

Mr. Adam Ingram (East Kilbride, Strathaven and Lesmahagow) (Lab): The hon. Gentleman makes a case against nuclear power, so why is it his party's policy to extend the lives of Torness and Hunterston power stations? The issue is important not only because of the electricity generated, but, if he is opposed to nuclear power owing to the waste that it produces, because his policy actually supports the production of more waste. I am intrigued by the conundrum that the Scottish National party has placed before the Scottish people.

John Mason: I thank the right hon. Gentleman for his valid point. However, it raises two separate points: first, the extension of existing nuclear power stations is a decision for British Energy or whoever; and, secondly, new or replacement nuclear power stations should be decided on by Governments. The question is, therefore, should we build nuclear power stations to export electricity from Scotland? There is much talk of, and some argument for, generating electricity near the point of use, so, if the energy is right here, is it not better to use a local nuclear power station? For example, Battersea used to have a power station, and I am sure that it would make a very attractive site. If I can be assured that it is safe, I do not see why Battersea should not have a power station. Indeed, it would be an added tourist attraction for London.

Clearly, Scotland has considerable reserves of oil and gas. There is at least as much left in the ground as has been extracted and, as I mentioned earlier, Scotland will be self-sufficient in gas until at least 2020. Sadly, however, we have not had the opportunity to build up an oil fund, as Norway, Alaska and Alberta have, to invest more in renewables.

The Scottish Government's target is for 31 per cent. of electricity to be produced from renewable sources by 2011, and that is well ahead of the EU target of 12 per cent. by 2010 and even further ahead of the UK target of 10 per cent. by 2010. Indeed, the Scottish target is 50 per cent. by 2050. Scotland is leading the way on renewables, as it is in so many areas, and the UK is lagging behind. In fact, if we add our installed renewable projects to our consented renewable projects, we have 5.5 GW, which is 35 per cent. of our needs, so it looks as if we will be ahead of the target in 2011. In comparison, nuclear capacity in Scotland generates 2.1 GW.

It is clear that new nuclear power stations are neither necessary nor wanted in Scotland. Scotland can have a secure, low-carbon, non-nuclear energy future by combining a growing renewables sector with the exploitation of a range of technologies, including marine energy.

Mr. Ingram: I well understand the hon. Gentleman's party's policy of complete opposition to nuclear power, but does it mean that he wants the British Energy facility in my constituency—the UK's nuclear industry headquarters—to close down, Doosan Babcock to stop production for the nuclear industry, Rolls-Royce to leave the industry and the university base at Strathclyde, Aberdeen and Herriot-Watt to close down its nuclear physics and engineering capability? Those could be the consequences of his policy, so I should welcome his views.

John Mason: I thank the right hon. Gentleman again for his intervention. I have already tried to make it clear that we do not suggest stopping what is already happening; we are talking about not having any new nuclear power stations. On the point about what a university does, public finances are limited, and, if £1 or £1,000 is spent in a university on nuclear work and research, that is a choice not to make that money available for renewables research. We have a choice, which is either/or, and I would rather see the money and the academic skills going into renewables research.

We can combine marine energy, microgeneration, cleaner energy from fossil fuels and improved energy efficiency. Scotland is the premier location for renewables in Europe, with 20 per cent. of Europe's wind energy potential and 25 per cent. of Europe's tidal power potential. The Scottish Government have introduced a £10 million Saltire Prize, the world's biggest innovation award for marine renewables, and we have had 94 applications from 23 countries.

The renewables industry creates jobs. The Danish wind industry employs 15,000 individuals—slightly more than the right hon. Gentleman mentioned. Some of those jobs could have been in Scotland, but our development has been held back because we are in the United Kingdom. The right hon. Member for Wells mentioned top-end jobs, but are they going to be in France, Germany, Japan or here? The Scottish Government certainly intend to use their limited resources through planning controls to block nuclear power stations, so can the Minister assure us that he will not impose the will of the UK Government on the people and Parliament of Scotland?

We do not intend to close nuclear stations during their expected lifetimes, but, when they come to the end of their lives, they will be shut. The International Atomic Energy Agency says that worldwide nuclear output will fall from 15 per cent. to 13 per cent. by 2030. We must accept that nuclear is the fuel of the past and that wind, wave and tidal power are the fuels of future.

11.39 am

Albert Owen (Ynys Môn) (Lab): I represent a halfway house between the last two speakers, because I am pro-nuclear and pro-renewables. I see no contradiction in that stance if we are to meet our two targets of a low-carbon economy and a secure supply.

The next generation of new nuclear stations is starting a little too slowly for my liking, but there are good reasons for that. I congratulate the right hon. Member for Wells (Mr. Heathcoat-Amory) on rightly saying in his opening remarks that we need to debate this matter openly and honestly; in the past the pro-nuclear lobby has had a tendency not to do so. The nuclear industry, in many ways, speaks in jargon that the public do not understand and we need to change that as well. When we talk about fast breeders and various other issues, the public do not engage and do not understand the benefits that new nuclear can bring to industry and the economy.

Nuclear energy in my part of the world provides an awful lot of highly skilled and well-paid jobs with transferable skills. I want that to continue, which is why I have been campaigning since becoming a Member of Parliament in 2001 for new nuclear to be on the agenda as part of a rich portfolio of energy sources. Under Conservative Governments—I mention this because the right hon. Member for Wells referred to it—in Wylfa, in my constituency of Ynys Môn, land was set aside in the early to mid-1980s for the development of a second nuclear power station. That was put off for various reasons, in my opinion.

First, in respect of public opinion, which the right hon. Gentleman mentioned, there were fears and perceptions of high risks in the nuclear industry. If we look at it rationally and consider other sources of energy, nuclear is a safe industry. In respect of fatalities, the number of workers killed in the nuclear industry is far smaller than in other industries, including hydro, coal and gas. The public's perception about nuclear being dangerous is now being put to one side when people have an open, honest debate about it.

Secondly, successive Governments have not handled the waste issue well. I support the deep burial chambers, such as the ones going ahead in Finland, although those are late. We could have done that a lot sooner and gone ahead and had safe disposal of nuclear waste.

Mrs. Gillan: Does the hon. Gentleman agree that one of the excellent examples of decommissioning of a nuclear site is in Trawsfynydd in mid-Wales, where we are successfully decommissioning and creating a safe site within a national park?

Albert Owen: Disposal of waste is a subject for another debate, because of time restraints, but it can be done at different levels. If people consider it rationally, most of the volume of nuclear waste is low level and can be dealt with alongside what comes out of the military, and with medical and health waste, which needs to be dealt with safely, as does intermediate waste. As the hon. Lady says, intermediate waste is stored safely at Trawsfynydd, which is a fantastic feat of engineering and which is, again, leading to high-skilled jobs in that area.

I want to talk about low-carbon generation for the future, with a low-carbon nuclear industry, with its transferable skills, at the centre of that. We will not meet our targets through renewables alone. In my constituency—I could speak on a number of issues in this regard—we have wind farms, which have been accepted by the local community, and we have plans for liquified natural gas and for marine turbines. Alongside nuclear, the Isle of Anglesey—Ynys Môn—which I represent, can be an energy island and can work with Government at various levels, for the future, to provide the security and the supply of clean energy that we need, with a skilled work force.

The nuclear academy is up and running. We are planning for the future. Many young people in my area who are taking apprenticeships in the nuclear industries will have the opportunity to get the high skills that are needed to keep people in the Ynys Môn area. In the 1980s and '90s there was a mass exodus of young people from that area because of the contraction of much of the manufacturing and many high-paid jobs. The lynchpin of the nuclear industry has kept many people there and many families and generations depend on it. But that should go further.

I congratulate the Government on considering a balanced portfolio, because development and research in renewables, alongside new nuclear technology, can take place in this country and can put us on a good footing for the future. We need to get this right and we need to do it properly. We also need to dismiss some of the myths that go along with nuclear.

I believe that Wylfa B will happen. It will meet the criteria in the Government's strategic site assessment, because it has the infrastructure and the skills base and it has potential for the future. That is important. When the hon. Member for Glasgow, East (John Mason), who speaks on behalf of the Scottish National party, says that it wants to extend certain schemes, he is admitting that nuclear power is good for this country in terms of

[Albert Owen]

energy security. But he will not say that because he knows that it is politically damaging to close power stations when they have an extended safe generation period. It is the same with Plaid Cymru in my area: the leader of Plaid Cymru, who is my Assembly Member, says that he is against nuclear in principle but supports it because of jobs. That is not a sustainable position. I have been honest with the electorate and now Plaid Cymru is jumping on the nuclear bandwagon and saying that it is in favour of nuclear power, although its leadership is not so sure because it might lose a few votes.

Nuclear is too important an issue for us to play party political point scoring. We need nuclear for the future security of the United Kingdom. We need to meet the targets. Climate change carries more risks than a nuclear explosion, which many people fear. Many of the top scientists and environmentalists are acknowledging that. People who are ideologically against nuclear power are now coming out in favour of it. Even the leader of the Conservative party, who was not too keen on it when he first became a Member of Parliament, is now suggesting—I am sure that his Front Bench spokesman will confirm it—that we need nuclear as part of the energy mix.

Yes, successive Governments have been too slow in moving forward, but we are at an important juncture and we are now moving in the right direction to get the skills and the security of supply necessary to meet the needs of the future, not just for this country, but on a global scale. Nuclear power should be part of that.

11.46 am

John Robertson (Glasgow, North-West) (Lab): I congratulate the right hon. Member for Wells (Mr. Heathcoat-Amory) on securing this debate. He is right; we do not have enough of these debates in Parliament on a subject that is important for this country and its people's needs.

I shall just get some of the innocuous stuff out of the way. The hon. Member for Glasgow, East (John Mason) gave his party's usual line of not understanding the facts, having done no investigation, and does not understand anything to do with the industry at all. In general, his party is run by dogma and has nothing to do with the needs of the people of Scotland. Having got that out of the way, let us talk about the subject we are here to talk about: nuclear energy.

The right hon. Gentleman was good, although he slightly reinvented history. The Government have done well, not only in turning round my party from holding completely the opposite view—from not supporting nuclear to supporting it—but in taking the argument out to the people and letting them make the decision. We have listened and we have come to the conclusion that a balanced energy policy is required in this country.

I have a vested interest. As chairman of the all-party group on nuclear energy, I am obviously pro-nuclear, but I am also pro-coal, pro-gas and pro-renewables. There is a place for everyone. We should not put all our eggs in one basket. It is important that we serve the needs of the people of the United Kingdom. Energy is a reserved matter. We deal with the energy of the country. It is a bit disingenuous to say that people can have all the gas, oil, electricity, renewables and whatever that they like. At the end of the day, the people of this country have stood and fallen together. We have fought side by side in wars, we fight side by side in industry and we compete against a world that would be quite happy to have half the resources and people that we have. That is important, because it is where our future lies.

The new build will cost this Government next to nothing. The companies will supply the money: that is part of the deal. If they want to build a new power station, they will supply the money—that also includes the decommissioning. We must also consider security of supply. The right hon. Gentleman mentioned Russia and the middle east, and there is a British Gas project in Nigeria to liquefy gas. We must look to gas to meet our needs into the middle of the next decade. The right hon. Gentleman also referred to the Select Committee on Energy and Climate Change and said that the gap can be filled. I hope that he is right.

Questions were asked about gas storage, which will be important to cover the decommissioning of our old nuclear power stations. We have problems with coal, because a European Union directive requires power stations such as Cockenzie and Longannet to be closed by 2015, unless they can meet emissions requirements, which is doubtful as they are old. So we have an even bigger problem. If those coal-fired powered stations close down, and if our nuclear power stations are decommissioned and closed, we must consider where we are going. There will be a gap, and gas and renewables will have to fill it, but during the cold spell in the winter renewables provided 0.01 per cent. of our energy needs in Scotland. That is a long way from the 50 per cent. of renewable electricity that the hon. Member for Glasgow, East was talking about. We must have a base load that will run industry and keep the lights on.

Where do we go next? Education has been mentioned, and I was at an all-party group meeting this morning when we talked about that very subject. British companies are lining up to work with universities—some are already doing so—to provide apprenticeships and university degrees for the nuclear industry. They know that there is a shortage in the work force, and they want to fill it as quickly as possible. The right hon. Gentleman said that for those young men and women the world will be their oyster, and it certainly will because the amount of work in the rest of the world will mean great prospects of highly paid jobs anywhere in the world. However, we also have a place there, because our education system is second to none, and with the right drive and support from the Government, we will get there.

The safety of nuclear power stations in this country is also second to none. In all the major disasters, barring Chernobyl—we all know what happened there and the number of lives lost—no one was killed or poisoned by radiation. Although the power station at Three Mile Island was lost, the safety precautions worked. The safety record in nuclear power stations is great compared with the number of lives lost in the coal industry, which must amount to hundreds of thousands throughout the world. Tens of thousands are killed in China alone almost every year. Many people die on a regular basis in the coal industry, so the nuclear industry does well.

My hon. and learned Friend the Minister will have to consider waste management. We know that there will be a report in the autumn and we hope that it will tell us exactly what we must do. Those of us who were lucky

enough to go to Sweden last year and see its experimental project in Oskarshamn could not fail to be impressed by what is being done with the waste material. I do not agree with the adage that Scottish waste must stay in Scotland and Welsh waste must stay in Wales. It is British waste, and the United Kingdom Government must deal with it. That is the deal, that is how it is at the moment, that is how Parliament has set its store, and we must go along with it.

The right hon. Gentleman said that he would come back to planning. I do not know whether he did, but if he did I missed it. The Government have bitten the bullet and introduced the Planning Act 2008 to ensure that what happens in Scotland will not happen elsewhere. If an area wants a new power station requiring billions of pounds of investment to provide jobs, if a company wants to supply the money to build that power station to provide that work, and if the Government want it to supply electricity to meet people's needs, that should not be stopped by an obscure planning rule, which is what happens in Scotland. We want to ensure that that does not happen in the rest of the United Kingdom.

John Mason: Does the hon. Gentleman agree that if the Scottish Parliament and the Scottish people do not want nuclear power, they should not have nuclear power?

John Robertson: I am glad that the hon. Gentleman said that, because his party's investigations showed that 52 per cent. of the Scottish population wants nuclear energy, and only about 24 per cent. does not want it. The Scottish people would rather keep the lights on than use political dogma to turn them off, as the hon. Gentleman's party would like to do. I really thank him for that intervention, because I had forgotten about that information.

This has been an excellent debate, and I thank the right hon. Gentleman once again for introducing it. The most important thing is that the British people have the lights on, and that there are jobs and investment in this country.

11.56 am

Martin Horwood (Cheltenham) (LD): I congratulate the right hon. Member for Wells (Mr. Heathcoat-Amory) on securing this debate. It is good to see a Conservative Member ferociously and unashamedly in favour of nuclear power. It has been a little difficult to track the Conservative party's attitude over the past couple of years, particularly during the passage of the Energy Act 2008. It has been unclear whether it was pro or anti-nuclear, and sometimes it seemed to be both at once, so it is a little rich of him to criticise the Government for inconsistency.

The right hon. Gentleman raised some important points. First, on timing, he referred to what is sometimes perceived as the energy gap and the likely tightening of energy supply as various power stations come off line over the next 10 or 15 years. Obviously, there are various ways of trying to cope with that energy gap, and my favourites and those of the Liberal Democrat party are energy efficiency, fossil fuel technologies if they can be provided with carbon abatement—on which development is promising, although without much help from the Government—and an increasing role for renewables. However, I have not seen any evidence that nuclear power can play much of a part in filling that energy gap, because there is not much evidence that any new generation nuclear power stations will come on line before 2020 at the earliest. Today is the deadline for the nomination of new nuclear sites, and perhaps the Minister will confirm that the timetable is still running to schedule.

Albert Owen: Last week, I had an Anglesey day when representatives from the community of Anglesey came to the House. The chairman of the county council is a Liberal Democrat, who is in favour of nuclear power because he can see its benefit in the local community. He is also in favour of extending the life of existing power stations. Is the Liberal Democrats' official policy to extend the life of nuclear power stations to help to bridge the gap that the hon. Gentleman is talking about?

Martin Horwood: No, the consistent policy of my party's Front-Bench spokesmen and our party conferences over the years has been to phase out nuclear power as soon as possible. We are a democratic party, and we have different opinions. We welcome a diversity of opinions, but they have never managed to persuade the majority to be pro-nuclear.

The right hon. Gentleman rightly mentioned process, and some interesting issues arise. I am sure that he does not welcome it, but we are in an EU-determined process called justification, which the Minister might like to comment on. Some legal opinion has it that when the justifying authority—the Secretary of State—has decided that nuclear is justified, it becomes difficult to reopen issues of safety and the rationale for nuclear power in later years. I would be interested to hear the Minister's opinion on whether the justification decision is irrevocable once taken, and why it should be done in that way. The EU does not determine who should be the justification authority, so it does not have to be the Secretary of State. There could have been a public inquiry, or he could have nominated the Environmental Audit Committee or the Committee on Climate Change or perhaps even the Sustainable Development Commission, which is the body established by Government to advise them on sustainable development.

[Mr. Roger Gale *in the Chair*]

The Secretary of State has already made his pro-nuclear position clear, so it is fairly clear what the justification decision will be even before all the public consultation, but the Sustainable Development Commission has considered the issue as well. It wrote to my hon. Friend the Member for North Cornwall (Dan Rogerson) in 2006, saying:

> "Our final position weighs up the advantages and disadvantages of nuclear power to find that there is no justification for bringing forward plans for a new nuclear programme at this time and that any such proposal would be inconsistent with the Government's own Sustainable Development Strategy."

The commission raises issues of long-term waste, cost, inflexibility, the undermining of energy efficiency, and international security. I agree with all those points.

Let us consider some of the sustainability issues involved in the debate. It is now often suggested that nuclear is part of the answer to reducing carbon emissions, yet the Sustainable Development Commission calculates that 10 GW of new nuclear generating capacity, replacing 10 old nuclear power stations, would contribute precisely

[Martin Horwood]

4 per cent. of savings in carbon emissions after 2024, which is hardly a quick or sufficient contribution to reducing carbon emissions.

The Select Committee on Innovation, Universities, Science and Skills has said in a report that many of the engineers working in the industry are approaching retirement and not enough young people are being trained. As other countries become more interested in buying nuclear skills, we may find ourselves with a skills shortage in this country.

Mrs. Gillan: I believe that I heard the hon. Gentleman say in reply to the hon. Member for Ynys Môn (Albert Owen) that he would like to see Wylfa shut as soon as possible. In his calculations, how would he compensate for the 18,000 tonnes of carbon dioxide a day that are saved by the operation of the Wylfa power station?

Martin Horwood: The general position is that we need transitional technology over the coming decades to replace the contribution of nuclear and other industries, because it is true that renewables alone will not fill that gap. However, the obvious candidate is carbon capture and storage. That technology, as the hon. Member for Glasgow, East (John Mason) pointed out, was being progressed in projects such as that at Peterhead, which have been truncated by the Government's rather measly and limited carbon capture competition. We could have put much more effort and initiative into becoming a world leader in carbon capture; instead, we are being overtaken left, right and centre on that technology. That is the technology that I see as the important transitional one over the coming decades.

Then there is the question of whether UK plc will really benefit from what is proposed. In a recent report, Sir John Houghton, the former director general of the Met Office and former co-chair of the intergovernmental panel on climate change, highlighted the fact that the only working example of a new generation nuclear power station, in Finland, is already experiencing quite a lot of problems. He wrote:

"The delays and cost over-runs at Finland's new Olkiluoto 3 reactor (the first nuclear reactor to be built in Europe since 1991) cast doubt on the ability of nuclear to play a large role in the timeframes necessary to effectively deal with climate change".

John Robertson: Will the hon. Gentleman give way?

Martin Horwood: I am sorry, but I will not give way again, because the time is limited.

A report in *The Times* on 17 March revealed that

"Nearly one third of the work involved in the construction of nuclear reactors in Britain will be shut off to UK companies".

That is according to the French group EDF, which is expected to build most of them. Will the Minister comment on whether nuclear jobs will benefit France rather more than the United Kingdom?

Then there is the issue of waste. We are still paying £1.4 billion a year in decommissioning and clean-up costs for the last generation of nuclear waste. We still do not know where that will be stored, when it will be stored and exactly how it will be disposed of. That is leaving a toxic legacy of high-level nuclear waste for generations way into the distant future. The Nuclear Industry Association has confirmed to me before now that it still thinks that that high-level waste will be dangerous 1,000 years from now, which means—

Albert Owen: Will the hon. Gentleman give way?

Martin Horwood: I really do not have time; I am sorry.

Clearly, we need to find a way of disposing of waste that has already been created, but that is no justification for repeating the mistake, not least because the sites, even with low-level contamination, can take 100 years to be cleaned up and decommissioned fully. Most of them are coastal, so a sea level rise and an increased risk of flooding is clearly also a danger. There are so many dangers that it would be foolish to go down this road again when we have not solved the problems of the last generation of waste at all.

Energy security is often mentioned. The idea is that somehow nuclear is a more reliable form of energy than something such as gas, and the spectre of Russian gas negotiations is often raised. In fact, a large proportion of our gas comes from that well known and unstable country, Norway. Very little of it comes from Russia. As for uranium, about 44 per cent. comes from very stable countries—Canada and Australia. After that, 16 per cent. comes from Kazakhstan and then the list includes Russia again, but also Niger, Namibia, Uzbekistan and other well-known stable countries. That suggests that the international supply of uranium is not quite as secure as we might think. Certainly, if there are new generations of nuclear power stations worldwide, there will presumably be a price hike in uranium as well, which might threaten once again the economics of nuclear power.

Mr. Mike O'Brien: Will the hon. Gentleman give way?

Martin Horwood: I will give way briefly, as long as the Chair is indulgent of me.

Mr. O'Brien: We get our uranium from Australia and Canada, so running fear stories is not wise.

Martin Horwood: It is not really a fear story, is it? If there is increasing demand, with world supply dependent on countries such as Kazakhstan, Russia and Niger, there will be a rise in the price, which is the last point that I made. That clearly threatens the long-term economic viability. Then there is the long-term economic threat relating to the cost of waste disposal and how any future liabilities that we have not worked out will be disposed of. The hon. Member for Glasgow, East referred to the potentially multi-billion pound bill for undisclosed nuclear liabilities. During the passage of the Energy Act 2008, many of us tried to tighten up its provisions to ensure that there was no possibility of the taxpayer ending up footing the bill in decades to come, when presumably many of the companies now involved in developing the so-called funded decommissioning programmes will be long gone. They might well have collapsed and there will be no one to sue in the event of costs rising. Inevitably, the taxpayer will have to pick up the ultimate liability; it is clear that the ultimate liability for a nuclear programme still rests with the taxpayer.

However, the real capping argument against nuclear power at the moment is that we have an urgent need to develop genuinely renewable clean energy sources and the concentration of the Government on nuclear will crowd out the development of renewables. I was, frankly, horrified by the right hon. Gentleman's attack on wind power. I do not have time to refute it, except to say that it certainly can be refuted. The argument is that nuclear can crowd out renewables in terms of both capacity and investment. The signals coming from Government as to where investment from energy companies should go are mixed. They have given a clear green light to nuclear and they are giving very mixed signals on renewables. They have got it exactly the wrong way round. Renewable energy is clean, green, reliable and safe. Nuclear will leave us with a toxic hangover from the 20th century well into the 22nd and it should be phased out completely as soon as possible.

12.8 pm

Greg Clark (Tunbridge Wells) (Con): You have joined us for the end of an excellent debate, Mr. Gale. The hon. Member for Cheltenham (Martin Horwood) mentioned the word "mix" and I think that a mix is the key to our energy policy. On both sides of the Chamber, we have recognised that we face a prospective energy crunch, to which the solution has to be one of diversity. There is broad, albeit not necessarily universal, agreement on both sides of the Chamber that we have been slow to come to the position in which we can send clear signals to the industry that we will have a stable framework.

First, however, let me congratulate my right hon. Friend the Member for Wells (Mr. Heathcoat-Amory) on giving us the opportunity to have the debate and on his contribution, which, as ever, was serious and analytical. He always demonstrates genuine personal concern for the future of our nation, bringing that to all our counsels. He has done so again today.

I am delighted to see my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan), who is shadow Secretary of State for Wales, in her place. As the presence of the hon. Member for Ynys Môn (Albert Owen) also indicates, nuclear policy is a great issue for the Principality.

It is clear from the contributions that have been made that we face a parlous energy security situation in the years ahead, and three factors contribute to that. First, there is the predictable decline in North sea oil and gas output. Some estimate that we will be 80 per cent. dependent on gas imports by the end of the decade, which could have been foreseen many years ago in the past decade. Secondly, we are likely to have to decommission nine of our most polluting coal-fired power stations by 2015. Finally, six of our 10 nuclear power stations are likely to reach the end of their life, unless it is extended, by 2018. Over the years ahead, therefore, we face a significant capacity problem in generating our future energy supplies.

In 1912, Sir Winston Churchill said that security in oil depends on diversity and diversity alone, which extends to our discussion of energy today, because we need a diverse energy supply. Unless one has an objection in principle to nuclear on the grounds of safety, and my party does not, it is clear that the technology makes a low-carbon contribution to diversity of supply. Providing that it is economically viable and does not present a charge on the taxpayer, therefore, it will be one of our diverse sources of energy going forward.

There is agreement that we need to be clear about such issues, because we are contemplating major investments. Providing that Government subsidy is not involved in construction, operation, decommissioning or the storage of waste, no regulatory obstacles should be put in place.

Martin Horwood: During the passage of the Energy Bill, the Conservative party asked for more reassurances on the long-term liability to the taxpayer and, in particular, on what was meant by a fair share of long-term waste disposal costs. Is the hon. Gentleman now satisfied or dissatisfied with the Government's position on that?

Greg Clark: I am pleased that the hon. Gentleman has raised that question, because it is crucial. The history is that nuclear power has left the taxpayer with liabilities. Some years ago, I was a special adviser in the Department of Trade and Industry and I well recall the sale of British Energy. That sale was partly designed to take liabilities off the public balance sheet, but I was there when officials came to tell the Secretary of State that it was not possible and that those liabilities had to remain in the public sector. The arrangements going forward therefore need to be absolutely rigorous so that there is no chance the taxpayer will face an unfunded liability.

Albert Owen: I understand what the hon. Gentleman is saying in theory, but I am not clear what it means in practice. He has just acknowledged that there is a capacity problem and that nuclear could be part of the solution. How would he get the guarantees that he mentions? The programme needs years to develop, and there could be an incoming Conservative Government in that period. When would he say, "Yes, we are pro-nuclear and we are going ahead with this," and what assurances must the industry give him?

Greg Clark: Each application needs to come before the Secretary of State for approval, and it is essential that the guarantees in place—whether on decommissioning liabilities or operating costs—provide Ministers with sufficient satisfaction that a charge will not be laid on the taxpayer. The fiscal risk must be taken care of, because it has been a problem in the past and it must not be one in the future. I therefore look to the Minister for an update on whether he is satisfied that such guarantees are in place in the proposals that have come before him for discussion so far.

Mrs. Gillan: Does my hon. Friend agree that it is difficult to answer the question from the hon. Member for Ynys Môn? I was looking at the lifetime plan for Wylfa, and the milestones over the decommissioning period go right up to 2125, when none of us will be around. It is therefore impossible to give a strictly honest and accurate answer to his question at present.

Greg Clark: I am grateful for that intervention, which takes us to an important part of the debate. We need to concentrate now on ensuring that we have rigorous arrangements in place.

[Greg Clark]

Yesterday, we had the announcement of the prospective sale of UKAEA Ltd, which raises similar issues. I have no problem in principle with a private company operating the contracts, but UKAEA Ltd will have the long-term contract for decommissioning nuclear power stations. How can we be satisfied that a delegation from a private company will not come to the Minister some years down the line, when the contract is with that company and work has proceeded, to demand more money than was provided for in the contract to finish the job? We need satisfaction on such issues.

It is the Government's responsibility to remove excessive regulatory risk. There is enough risk involved in making major multibillion pound investments—not least the cost of capital and the anticipation of future energy prices and the cost of carbon. Public policy should not amplify those risks, but most people in the industry would say that the 10-year delay that we have seen and the inconsistency of energy policy—indeed, the lack of a credible policy—have amplified them. That is not the way forward if we want to take up our traditional role in the energy sector as a world leader in nuclear technology.

On planning issues, it is important that the Conservative party supports the type approvals used by the nuclear installations inspectorate, because they allow safety standards, which are obviously crucial, to be applied consistently. On planning applications, it is important that there be genuine scrutiny, but not a review of national energy policy lasting for years on end for each application. The Government's role in ensuring that we have a long-term safe storage capability is also important.

We have suffered the consequences of policy ambiguity and indecision on this issue, and there is no better example of that than the Isle of Anglesey. Anglesey Aluminium Metals Ltd is contemplating 500 job cuts—those are important jobs—because any prospective decision on a second Wylfa nuclear power station will come too late to avoid interrupting the energy supplies necessary for investment and production to carry on.

Albert Owen: The hon. Gentleman mentions my constituency. Does he not accept that the decision to decommission Wylfa was made in 2000, so it is not as if there is any irrationality now? The Wylfa B plan was put in place in 1987, and had it been carried out in the relevant time scale, even with the ad hoc planning that we have seen, it would have come on stream many years ago. It is therefore incorrect to put the blame on people now.

Greg Clark: There is no advantage in casting around blame. All I would say is that if decisions on the replacement had been taken sooner, we would have avoided the hiatus, which has caused the loss of jobs.

Skills have been mentioned, and there have been severe consequences for some of our most skilled professions because of the delay and vacillation over energy policy. British Energy has estimated that only 6 per cent. of the nuclear industry's 100,000 employees are under 24 and that 40 per cent. of its employees will retire in the next 10 years. Dr. Tim Stone, one of the Government's advisers, makes much the same point about the nuclear installations inspectorate, which is a crucial body. He says that there are staffing shortages related to the age profile of the expert and highly experienced inspectors being skewed towards retirement age.

I want to leave time for the Minister to reply. I do not want to sow division for the sake of it, because it is important that we do not present potential investors with a view that creates difference where there is none. Instead, we should present the possibility of a stable public policy regime. However, we need to ask whether the Minister, who is in a position to judge, can be satisfied that the fiscal risk of nuclear is adequately taken care of; whether some of the outstanding questions about public confidence and safety are being dealt with properly at Sellafield, where some of the NII safety specifications relating to legacy ponds and silos still have not been met—public confidence is very important; and, as I mentioned earlier with respect to yesterday's statement on UKAEA Ltd, whether there are sufficient guarantees that the sale would not lead to a charge on taxpayers' funds.

This has been a constructive debate. It is important that we set out clearly the policy regime that would be in place for potential investors, and I look forward to the Minister's response.

12.20 pm

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): It is a pleasure to see you take the Chair, Mr. Gale. I congratulate the right hon. Member for Wells (Mr. Heathcoat-Amory), who has managed to secure a debate on an enormously important issue. Sadly, I found his contribution partisan and unfair. It is a shame that in a debate on energy, which should have been dealt with more seriously, I feel that I need to respond briefly in a similarly partisan way with reference to his complaint about our lack of purpose since Chernobyl and Three Mile Island. Since that time there has been public concern about nuclear—something that he had to deal with when he was the Energy Minister from 1992 to 1994. He talks about the period of decline after 1987—well, he was part of that period of decline, so taking the mote out of one's own eye is part of what he needs to accept. He needs to accept that when he was in office his Government failed to take the steps that were needed.

Mr. Heathcoat-Amory: On a point of information, the decline in nuclear electricity production was after 1997, and, in answer to the point about me, I never took an anti-nuclear stance, and certainly no White Paper or energy document emanated from the Department of Energy when I was there that was anything like as negative or indecisive as the series that was produced until recently. However, I did concede that there had been a change of attitude recently.

Mr. O'Brien: I accept that during the right hon. Gentleman's period in government he was never anti-nuclear; indeed, his party was then strongly and resolutely pro-nuclear. It just did nothing about it after Chernobyl and Three Mile Island—or very little. Nuclear power stations often take 12, 13 or 14 years to prepare. We will shorten that period with the new planning timetable. However, given the time scale, there was no preparation, when we came into government, for serious further development of nuclear power, and the Conservative

Government of whom the right hon. Gentleman was a member, and he, as a Minister in that Government, need to accept some responsibility for that.

The right hon. Gentleman talks about leadership. I remind him that Tony Blair and the current Prime Minister led a party that was anti-nuclear, by and large, and have turned it into one that is by and large pro-nuclear with a policy set out in a White Paper—an energy policy that is clearly looking to build new nuclear power stations and that has revitalised the industry in a very short period. That is decisive leadership.

The hon. Member for Tunbridge Wells (Greg Clark) complains of vacillation and delay. Let us see what is meant by those words. When we put forward our White Paper, at a pretty decisive moment for nuclear, where was the Conservative party? Its members were with their new—their current—leader, and their current leader was, as has already been said, in his green phase, when he decided that the Conservative party would no longer be the pro-nuclear party it once was. He turned a nuclear party into not an anti-nuclear, but perhaps a non-nuclear party; it was the great big Tory nuclear wobble.

Greg Clark: I am disappointed that the Minister has turned the debate in the direction he has, but he will recognise that in 12 years of government, in which there have been 10 Energy Ministers—in which sequence he has, I think, taken the role twice—the decisions that needed to be taken rested with the Government, not the Opposition. If he wants to look backwards he should reflect on the record of the Government over the past 12 years.

Mr. O'Brien: I can also reflect on the fact that the hon. Gentleman and his right hon. Friend complain about leadership, yet unlike their current leader, the Government have provided leadership on the issue. We have moved to a clear strategy. The country and the world face huge challenges in the face of climate change and energy security issues. We have set up a new Department whose key objectives are to create a sustainable energy policy, to deal with climate change—a policy that is secure, to deal with the problems facing this country in the long term and the decline of North Sea oil and gas, and affordable, to ensure that the people of this country get security and sustainability in a way they can afford; and to do that now, in the face of the problems associated with the credit crunch.

We need to decarbonise our electricity supplies and ensure that we have nuclear alongside renewables in a low-carbon economy. Combating climate change must be our top priority. We need to change our energy mix, so that we are less reliant on heavily polluting fossil fuels. We need secure affordable energy and we must ensure that we diversify the roots from which we get our gas and other supplies. By the way, contrary to the comments made earlier by the right hon. Member for Wells when he raised concerns about Russia, we get about 2 per cent. of our gas from Russia and the recent dispute between Ukraine and Russia did not have a major impact on our gas supplies.

We recognise as a party that nuclear is secure, affordable and low-carbon, and that without it achieving the climate change targets we have set ourselves would become difficult and costly. The cost of generating electricity would rise and we would be increasingly reliant on renewables, and although those are important technologies they cannot always provide the base load of electricity that is needed.

As my hon. Friend the Member for Ynys Môn (Albert Owen) said, we need not only a nuclear base load but renewables, because they are low-carbon and can supply electricity on a large scale; but they have a problem in relation to intermittency. Therefore we also need the flexibility in energy supply that involves coal, with carbon capture and storage in due course, we hope, and gas.

As to talk of energy gaps, we believe that any gap that might in theory exist will quickly be supplied by the energy companies. That might be through gas or, we hope, coal with carbon capture and storage, but we believe that it will be supplied, because there is a lot of money to be made by energy companies in preventing such a gap. Anyone looking at their energy bill will know that there is a lot of money to be made.

There are massive opportunities for the UK in creating new nuclear build in this country. There will, I believe, be new nuclear power stations pepper-potting the globe in years to come. If the UK can build up—as we want it to—a supply chain, there is potential for massive benefit for the economy of this country. That is why we have worked so hard with the industry in recent months to build up the supply chain and get interest in it, and to ensure that we have the capacity not only for new build but to benefit the country in the long term.

Westinghouse and Areva have announced initiatives to work with the UK supply chain. The Nuclear Industry Association is working closely with industry to highlight what companies need to do to get involved, and our nuclear White Paper has set out clearly the basis and the policy framework. We hope we are in the process of creating the right conditions to enable the UK to be a target for investment in the future.

Thalidomide Victims

12.30 pm

Mr. Martin Caton (Gower) (Lab): It is a pleasure to serve under your chairmanship, Mr. Gale. Most of us, certainly those who were around in the late 1960s and early 1970s, know something of what the drug thalidomide did to the human foetus if the pregnant woman had been using it for a number of years on prescription. However, before looking at the more recent and current health issues for thalidomiders, it will be useful briefly to recall some of that history and to consider the lives of those whose bodies have been affected by the drug.

Thalidomide was developed by the German firm, Chemie Grunenthal, as an anti-convulsant. It did not work for that purpose, but trials showed that it had sedative properties, with the apparent added benefit that overdoses resulted not in death, but simply in prolonged sleep. It was first marketed in Germany in 1957 and in the United Kingdom in 1958. It was sometimes combined with other drugs to treat a variety of conditions.

The promotion of all those products laid great stress on the safety of thalidomide. Grunenthal also claimed that thalidomide was completely safe for pregnant women and could therefore be used to treat morning sickness and some of the other negative aspects of early pregnancy. Astonishingly, the company made that claim without testing the drug on pregnant animals or testing the science behind the claim that an overdose would not normally kill. The latter factor was the result of the fact that although thalidomide was a highly toxic drug, it had a low absorption rate. That, however, could be affected by other illnesses, the taking of other medicines and, crucially, pregnancy.

Distillers, which manufactured thalidomide in the UK under licence, had to conduct its own tests on the drug, and commissioned researchers at Glasgow university to consider the effect of thalidomide on the body's hormone balance. The results, published in the *British Medical Journal*, showed a marked reduction in the activity of the thyroid gland. That should have set alarm bells ringing. It was known at the time that any drug that affected the thyroid was likely to be able to pass through the placenta, yet Distillers, like Grunenthal, did not test the drug on pregnant animals.

Even more disturbing, however, is the fact that the body appointed by the Government to establish whether new drugs had been properly tested—the Cohen committee—failed to ask whether tests had been made on pregnant animals. Instead, it described thalidomide as a drug of proven value. As a result, it went on to the NHS prescription list and was exempted from purchase tax.

We should contrast that with how the Food and Drug Administration dealt with the application by Richardson-Merrell to market the drug in America. There, Dr. Frances Kelly recognised that a variety of factors could affect the absorption rate. She required tests to be made on pregnant animals. Tests were carried out on pregnant rabbits, and deformed foetuses were born.

If the Cohen committee, acting on behalf of the Government, had required similar tests to be done here, it would have seen similar deformities in baby rabbits—the sort that were later to be seen in human babies. It did not. Some 3,800 babies died, and 508 were born with disabilities to mothers who had been taking thalidomide, assured that it was perfectly safe to do so.

When we think of people affected by thalidomide, most of us think of people with rudimentary arms and/or legs, but the drug caused a far greater range of debilitating conditions. Many suffered damaged ears and hearing. In others, eyesight was affected. A few suffered brain damage, with associated sensory limitations. Some who have legs have no arms, and a large number have arms ranging from half or two-thirds of normal length to 2 or 3 in. Many of those with hands have fingers missing and no thumbs. Leg damage often resulted in one or both legs being short, and feet absent or significantly damaged. In addition, there could be extensive damage to the internal organs and the skeletal structure.

Before the establishment of the Thalidomide Trust, which was later to protect the interests of those children, they were subject to well-meaning but questionable and certainly unwelcome professional attention. Some endured a series of operations intended to make them look "more normal", such as constructing ears where they had none or removing vestigial digits. There was a drive to find functional artificial arms, but experience of them as children put the majority of thalidomiders off such prosthetics in adult life.

What is truly remarkable is how those individuals affected by thalidomide have responded to the disadvantages dealt to them. In their teens, many refused to accept the limited lifestyle that some thought appropriate for people so badly disabled, and they determined to live as fulfilling a life as possible.

Sadly, 46 of the original 508 have died, but a large proportion of the survivors have taken life by the horns. A majority of them are married and between them have more than 500 children. Many have become highly qualified and have successful professional careers; others are running their own businesses. A large number of them have regular full-time jobs, and half are in some form of paid employment. Many of those not in paid jobs are bringing up their families. However, their very determination to get on with things has taken its toll.

By the late 1990s, it was becoming clear that thalidomiders were facing a new set of health problems, which were brought about by their wholly admirable commitment to activity. They are entering their 40s and 50s, but have always had to use their limbs and other parts of their bodies in ways for which they were not designed. Many have needed hip replacements, or even shoulder replacements, at the age of about 40. Others have reluctantly been forced to give up work or are considering doing so, creating personal financial difficulties.

One thalidomider, Paul, writes:

"My physical damage is manifested by the absence of arms and legs. In spite of the obvious difficulty caused by my impairments, I am proud to report that I have been in continual employment since I finished my education more than 20 years ago.

As a result of years of using my body in unorthodox ways to achieve everyday tasks, I am now experiencing increasing pain caused by osteo-arthritis and find it extremely difficult to continue my job, which necessitates me using a stick in my mouth to type on a computer keyboard for most of the working day. I have been advised by my GP that continuation of this activity is detrimental to my health and that I should consider terminating my job."

Paul is not alone. The Thalidomide Trust recently carried out a study of 108 thalidomiders, which showed that, on average, each thalidomider has six or more complex and chronic health problems. They include ear, nose and throat problems; poor vision; palsy, kidney, heart and gastrointestinal problems; arthritis; osteoporosis; sciatica; epilepsy; and obesity.

Another study, recently published as a paper by Summerside, Johnson and Newman, showed that those people can be helped, but that there are considerable obstacles to their gaining access to that help. The authors described those obstacles as a hierarchy of information gaps and network failures.

The first gap is between the patient and information about their condition, the existence of those similarly affected, the trajectory of the condition, effective treatments, specialist help and the existence of centres of excellence. The next gap is in the knowledge of GPs and other primary-level carers, which means that patients are always referred to a specialist.

Usually, however, it is just that—a specialist in only one of their half dozen or more complex and chronic health problems. That identifies another gap, which is that between the second-level specialist and the pool of expertise and specialisms relevant to the individual thalidomider. Most significant, however, is the lack of an effective network between patients and other patients with similar problems, and the primary, secondary and tertiary care providers.

The Thalidomide Trust shows that networking is the key to improving the quality of life for thalidomiders as they face those new health problems—an approach that works equally well for those with other rare conditions. The trust initiated a pilot project to establish such a network service for its 108 referrals so far. That has proved successful for many, simply by homing in on the right expertise and sharing it. Indeed, the network does not stop at national borders.

The Thalidomide Trust was aware of Swedish and German centres of excellence for assessing people with such a range of problems and for identifying the best treatments for individuals. It made use of those institutions, which are now important nodes in the new network, and intends to create further centres in France, Poland and the UK, all of which will be part of that network. That approach will provide a coherent care pathway for thalidomiders, instead of sending them from pillar to post to be dealt with by high-quality experts functioning only in their specialism bunkers.

In this country, most of the expertise required to fit into those networks lies within the NHS. I hope that the Government will work with the Thalidomide Trust, and its partners in this country and abroad, to develop an improved network for delivering individual care and treatment to thalidomiders and others.

I have deliberately concentrated on the health issues faced by thalidomiders and the best approach for delivering quality health care, but I have not focused on the financial problems that they face as a result of these new conditions in purchasing, in particular, the expensive equipment to permit them to maintain satisfactory mobility. The all-party group on thalidomide, which I chair, is concerned about that point. I would be very grateful if my right hon. Friend the Minister agreed to meet its members, as well as thalidomiders, after Easter to discuss that very issue.

12.41 pm

The Minister of State, Department of Health (Dawn Primarolo): I congratulate my hon. Friend the Member for Gower (Mr. Caton) on securing the debate. All Members should recognise the important points that he made regarding the thalidomide tragedy and wider questions about disability. I am grateful that he concentrated on social care, which has wider ramifications, as he also made the valid point that as people with disabilities caused by thalidomide reach their 50s, they will face increased health problems and, in some cases, will need a much greater level of care and support. It is very important to understand that point.

I agree with my hon. Friend's conclusion about the history of thalidomide. It is shocking nowadays to think that a drug so inadequately tested could have been prescribed to pregnant women purely on the manufacturer's testament that it could

"be given with complete safety to pregnant women and nursing mothers without adverse effect on mother or child".

We can all appreciate that such a situation could not arise today. The discovery of the links between thalidomide and birth defects led to a complete overhaul of the regulations on the testing of new drugs, encapsulated in the Medicines Act 1968.

My hon. Friend touched on a number of other issues, however, and asked for the Government's response. On direct financial support, all Governments have, as he will know, adhered to the long-held policy not to make ex gratia payments to patients who have been, or are believed to have been, injured by a defective pharmaceutical product. That responsibility must rest with the company concerned. People with disabilities caused by thalidomide receive additional financial support, and a compensation package is in place through a private settlement agreed with Distillers—now Diageo. Furthermore, under a relatively recent agreement with Diageo, the company will continue to make annual payments to the trust. I understand that the most recent settlement will pay £150 million to the trust by 2037. Agreements were also concluded with previous Governments. I refer specifically to payments made in 1974 and 1978, and to a full and final settlement to the trust in 1996. A review of the tax relationships was also carried out to get them into the best possible position.

My hon. Friend mentioned a meeting with the trust, which has approached the Secretary of State, who has written back on two occasions, the most recent being yesterday.

Mr. Caton: That is not exactly right. The trust has not made the case for financial assistance, because it is a charity and so unable to engage in political lobbying. The trust's advisory group, consisting of thalidomiders elected by all the thalidomiders in the country, was offered a meeting with officials, but the proposal to discuss financial assistance was precluded. My request to the Minister was for the all-party group, along with one or two thalidomiders, to meet her.

Dawn Primarolo: My hon. Friend went on to raise specific important points about social care packages and access to services for the 457 individuals, but much wider issues, which the trust has raised with us, also need to be dealt with. The Secretary of State replied

[Dawn Primarolo]

yesterday in a letter to the chairman of its national advisory council. In it he mentioned a meeting with the Department as well as with the Treasury, because the trust has raised tax and other wider issues with us—even if my hon. Friend might not have done so today. The Secretary of State wrote:

"I find it disappointing that you feel that a meeting would sidetrack you from the focus of your campaign, this offer was made in good faith and I believe your actions are not in the best interests of the members you represent."

I again offer that meeting to begin discussions on these very important issues. We need to hold the meeting if we are to engage in these important and complex discussions and to provide a way forward, particularly on access to services and social care. I ask my hon. Friend to use his good offices to ensure that those preparatory meetings take place, so that we can progress the discussions.

Mr. Caton: The all-party group is not an agent of the advisory council or anybody else. It is a group of MPs concerned about thalidomide, and we would be grateful for a meeting with the Minister to discuss various issues, including some that I have mentioned today.

Dawn Primarolo: I shall certainly not deny the all-party group a meeting. However, if it expects me to take those issues forward, I need to know exactly what they are. The Secretary of State and I have received representations directly from the trust, and the chairman of the national advisory council has put a number of issues on the table for consideration. There has been no word from the trust or anyone else to indicate that those are not the issues of concern.

My hon. Friend reiterated the issues today. The first relates to finance and the second to access to appropriate services. Government policy is designed to ensure that a person can live independently, with as much choice as possible in their care and greater opportunities to control their future. A number of policies deliver such goals, but as my hon. Friend rightly said, each individual has a number of specific and detailed personal issues, which need careful consideration. Such issues relate to access to social care and appropriate GP services and then referral to specialist services.

I confirm to my hon. Friend that I should be more than pleased to receive details from the all-party group on the points that it expects me to cover in the meeting. I should also be grateful for an indication of how such information varies from the letter-writing campaign, the early-day motion and the work and campaigning of the national advisory council. That would help me to address the points that my hon. Friend has raised. I should be more than happy to facilitate such a meeting. However, what I cannot do, as I am sure that my hon. Friend appreciates, is discuss policies that might not necessarily be a matter for the Department of Health. They might, for example, be a matter for Diageo, or even the Treasury if the matter relates to tax.

On that basis, I hope that my hon. Friend feels that we have a way forward. I want to do all that I can to facilitate a meeting with the all-party group, but to assist me in ensuring that the meeting has the focus that everyone wants, I should be grateful if my hon. Friend provided me with the necessary detail. I am confident that all of us will ensure that we do the right thing with regard to the rights of these individuals. I thank my hon. Friend again for the opportunity of answering this Adjournment debate, and I look forward to receiving the points on which he wants us to reflect and then to facilitating the meeting with the all-party group.

Mr. Caton: Has the Minister looked at the networking approach that the Thalidomide Trust and others have engaged in for dealing with the complex combination of problems? Referring a patient to one specialist and then to another does not deliver for them, as a more holistic approach would do.

Dawn Primarolo: I am aware of that, as are my officials. It was precisely because we wanted to focus on that area that we decided that the initial meeting should be with Department officials. We wanted to concentrate on that proposal and whether there was more that could be done. I refer to the point made about service delivery. Perhaps the trust interpreted our request of, "Will you please meet with officials of the Department of Health initially to discuss this?" as a brush-off or a way of parking the issue rather than meeting the Minister. The opposite was the case. The initial request was to ensure that the matters raised by my hon. Friend were thoroughly considered so that we could see whether recommendations could be made to Ministers to take the matter forward. I accept that my hon. Friend is raising in this debate issues about how we can better improve and deliver services on a personalised and individualised basis, because that is necessary for all such groups—although urgently for thalidomide sufferers. I am trying to find a path to do that without a lot meetings that end with me saying, "I am going to go away now and ask my officials to look at it and give me more detail before we take it forward." I hope that my hon. Friend will accept my suggestion on that basis. Perhaps we could do both: the trust could meet the officials, and I will meet the all-party group—as I am happy to do—to see how we can take the matter forward.

I hope that my hon. Friend is now reassured. I look forward to meeting him in the not too distant future.

12.56 pm

Sitting suspended.

Child Seat Bases (VAT)

1 pm

Bob Russell (Colchester) (LD): I have been a Member of Parliament for nearly 12 years, and this is the first time that a Minister has not been in his or her place at the start of a debate in which I have been involved. I find that regrettable, to put it mildly, particularly because today is my birthday.

Nothing would give me greater pleasure if, as a result of the debate, there is one less child fatality on our roads. I am grateful to the Baby Products Association, which provided an extensive briefing on this important subject, not only on the child safety aspect, but on the nonsense of the variables in the VAT system, whereby the base on which a car seat is fixed is levied at 15 per cent., but the car seat that sits on it is levied at 5 per cent. Clearly, the base and the seat are one and the same, because neither is any use without the other. The Government should address that and bring the levy to a universal 5 per cent.

I declare that I am chairman of the all-party road safety group, which is backed by Brake, the road safety charity. I am also chairman of the associate parliamentary justice for road traffic victims group, which is supported by another charity, RoadPeace. I make no apology for additionally declaring an interest as the grandfather of Joseph, Owen and Jessica, who are seven, four and six months respectively. I am anxious that they and all other children who travel in cars are as safe as possible.

Every year, 30 children up to the age of 16 are killed while travelling in cars, more often than not when sitting in a car seat alongside parents who thought they were safe. Each year, more than 16,000 children are injured, 300 seriously. At 30 mph, an unrestrained child can be thrown forward with a force of 30 to 60 times their body weight. They would be thrown around inside the vehicle, injuring or possibly killing themselves and anyone else who was in their trajectory. They are also likely to exit the car through one of the windows.

Those deaths and injuries can be prevented. We all know that the safest way for children to travel in cars is in a car seat suitable for their age, height and weight. A properly fitted child restraint keeps the child static in their seat. It prevents them from being thrown about, which reduces the likelihood that they will be injured or killed in a crash. Not only does that make perfect sense; it is the law of the land.

I am grateful to the Royal Automobile Club Foundation for its briefing. Its research has shown that as many as one in 10 children who should be restrained in appropriate car seats are not. With so many children being put at risk, it is not surprising that such a large number end up killed or injured.

In these difficult economic times, some parents and carers could be putting babies and small children in danger because they are simply unable to afford the best available child seats and other in-car safety equipment. Any deterrent, including prohibitive VAT rates, to the purchase of child car seats needs to be eliminated. The RAC Foundation's Philip Gomm stated:

"The Government might be in desperate need of revenue but raising it at the expense of road safety in general, and the safety of the nation's children in particular, is a false economy, and sends out the wrong message to all responsible motorists...The RAC Foundation would urge the Chancellor to reconsider his policy on VAT on these sorts of child car seats and so support the objectives of the DfT's Think! Campaign which is aimed at reducing child casualty rates."

Since 2006, children must be placed in the correct restraint for their age until they reach the age of 12 or the height of 135 cm, which in old money is about 4 ft 6 in. However, neither cars nor car seats are universal. Standard restraints with no base, placed directly on the vehicle seat and employing the existing adult belt system, can be fitted with the wrong tension and with the belt fed through the wrong pathways. Indeed, the car seat may be wrong for the car. Research has shown that only 25 per cent. of belt-fitted child car seats are fitted correctly at any given time. I am advised that data published by Halfords go as far as predicting that four in every five seats is fitted incorrectly. There is a danger that parents are being lulled into a false sense of security, and are unaware that despite their best efforts their children are still at risk every time they do the school run, visit grandparents or take a day trip to the seaside.

There is also a danger that improvements in child safety technology are outpacing road safety laws. I am now becoming something of an expert on car seats and their fixings. Since 2007, International Standards Organisation FIX points are fitted as standard on all new models of European car. ISOFIX points are the international standard for attachment points for child safety seats. They allow base systems to be plugged directly into the chassis of the vehicle. ISOFIX bases for child car seats are simple and effective. They are fitted correctly 96 per cent. of the time, which is a margin of error of only 4 per cent. That might be 4 per cent. too much, but 96 per cent. of the time, things are okay. We should, however, compare that to the statistics for older models.

Additions to the family can be fantastically expensive—there are so many things to buy—but one piece of equipment on which we must never compromise is the restraint system for the car. There may be a temptation to buy second-hand products from eBay and the like, but parents simply must not do that if they value their child's safety.

The Baby Products Association has warned that the trend to use sites such as eBay, and car boot sales, smalls ads in newspapers and shop window postcards, means that parents are unwittingly risking their children's safety by purchasing second-hand equipment without knowing whether it has been involved in an accident or whether it complies with UK safety standards. On just one day recently, 1,420 used child restraint products were up for auction on eBay, including 434 forward-facing car seats, 736 rear-facing seats and 104 booster cushions.

The BPA has launched a national campaign entitled, "Think Before You Sell", aimed at nursery retailers, doctors' surgeries, antenatal departments, social services, playgroups, carers and the general public. The campaign, which is supported by the Royal Society for the Prevention of Accidents, calls on online sites to refuse to let sellers auction baby equipment unless they can provide a record of purchase, proof that the item has not been involved in an accident, full fitting instructions and guarantees that the seat meets the United Nations standard regulation 44.03 or 44.04.

[Bob Russell]

Peter White, chief executive of the BPA said last month:

"As the credit crunch bites it is all too easy for families to opt for the cheapest option and go online. We have to remove the element of doubt when it comes to safety equipment as the alternative does not bear thinking about".

If people do not know the history of a car seat, or if they do not have the instruction manual, the seat can become lethal. It may not be compliant with the necessary safety regulation, which I am advised is UN Economic Commission for Europe regulation 44. What is more, such is the speed of technological development, a car seat from only a few years ago will definitely not afford the same level of protection as a new one designed and built to the latest safety requirements. ROSPA is clear that people should not reuse car seats that have been in accidents. However, the sad fact is that many parents who think they are doing the best thing simply do not know that they are putting their children in danger every time they go out in the car.

In an ideal world, we would have Government support to ensure that everyone with a vehicle can afford the best and safest car seat. Such support would ensure that parents struggling in the credit crisis would be able to avoid second-hand or hand-me-down products. There are a number of simple ways in which to make a real difference to hundreds of families who risk having their lives shattered by ill-fitted car seats. Make no mistake, the threat of poorly fitted children's car seats is on our roads every day.

The BPA, which represents safety seat manufacturers, has been working closely with retailers such as Halfords and fuel companies such as Total as part of GMTV's "Check It Fits!" campaign. Working with local authority safety officers and the emergency services, they have run a series of safety spot checks in garages and retail parks, providing a service for families on the school run. Some of the things they found in one week recently include:

"Monday, Aston Clinton. One driver had a child in the front of the car when it should have been in the back, we tried to put it in the back but found the seat belt connectors broken, the car supposedly had an MOT.

Tuesday, Burnham. Two-year-old in the back of an old Mini on a booster cushion with adult seatbelt around its neck—parent and grandmother declined free safety check and advice on correct restraint to use.

Wednesday, High Wycombe. Taxi driver with a two-month-old baby in the back of the car slumped in an adult seat belt and a three-year-old loose in the back of the car jumping up and down. His excuse were the restraints were in the other car. He did take some leaflets before roaring off.

Estate car pulls in with eight people inside. Two children in the luggage area unrestrained and one baby stuffed between the front seats. No child restraints anywhere, their excuse...they were on holiday! Another car pulls in with a child in the back of the car sitting in the child seat but not secured by the harness or seatbelt. The excuse was 'He can undo it himself so it's not worth doing it up'.

Thursday, Buckingham. All seats we checked were fitted correctly. ISOFIX prevalent—well done Buckingham.

Friday, Chesham. Final day of first week. One gentleman came in and had a child unrestrained in the back. When we advised him of the child seat regulations he said he lived in Hungary so it did not affect him."

The campaign continues.

All I am asking for is a simple package of measures that will make a real difference. The Baby Products Association is calling for the proper enforcement of police stop and check procedures to cover car seat safety as a matter of course when stopping vehicles for traffic infringements. After all, an adult would be fined immediately if they were found not to be wearing a seat belt. The proper fitting of child car seats should become part of the MOT test, so that without a properly fitted adult seat belt, the vehicle would fail the test.

Industry has a role to play working in partnership with retailers, manufacturers, local and central Government and the automotive industry to train motor mechanics to put child safety first. Finally—this is what today's debate is all about—the BPA is calling for a change in VAT rules to make ISOFIX bases more affordable for ordinary families. ISOFIX bases are not currently considered a baby product by the Treasury because the technology has changed since the Finance Act 2001, which first applied the reduced 5 per cent. VAT rate to baby products. The full 15 per cent. VAT rate still applies to each base sold. The Finance Act 2001 considers bases as a car accessory, like fluffy dice or go-faster stripes. I fail to see how an integral part of a safety system that can save children's lives can be treated as a mere accessory.

The Government reduced the VAT rate on standard car seats for children to 5 per cent., which is to be applauded. I simply ask that the same logic be applied to ISOFIX technology. The consumer is being disadvantaged on cost, and possibly forced to choose inferior and less safe products, putting young lives at risk. That is clearly an anomaly, and I hope that it can be addressed in the Chancellor's Budget on 22 April. The industry has been discussing possible changes with officials. Let us hope for good news.

As part of their response to the financial emergency, the Government decided to reduce the top-line VAT rate from 17.5 per cent. to 15 per cent. to stimulate the economy. It has been estimated that the change will cost the Treasury £12.5 billion. The cost of reducing VAT on car seat bases would be just £3 million. Let us hope that on 31 December this year, one fewer item will revert back to 17.5 per cent.

1.14 pm

The Exchequer Secretary to the Treasury (Angela Eagle): I apologise to everyone here for my tardy arrival, particularly the hon. Member for Colchester (Bob Russell), who has secured a timely debate about an issue that is clearly due to be considered before the Budget. I wish the hon. Gentleman a happy birthday. I hope that he manages to get to his party earlier than I managed to get to this Chamber. Once more, I apologise.

The hon. Gentleman has raised an important issue relating to children's car seat bases. Like any issue involving child safety, it is an important one for us to consider. The Government remain committed to ensuring the safety of children and babies travelling in vehicles. The Government's road safety strategy, "Tomorrow's Roads—Safer for Everyone", seeks to reduce deaths and serious injuries of children involved in road accidents by 50 per cent. by 2010. Overall, casualties are down and we are on target to achieve that welcome reduction.

The number of children killed and seriously injured in Great Britain was reduced from 515 in 2002 to 276 in 2007. Clearly, every one of those is one too many, but I hope that the hon. Gentleman will recognise that we are going in the right direction.

To meet the modern-day challenge of safety on the roads, the Government continue to highlight the dangers and promote good practice through our various "Think!" road safety campaigns. The Government introduced changes to seat belt regulations in 2006 to ensure that the majority of children use the correct child or booster seat. The changes mean that, with very few exceptions, all children up to 135 cm in height must now use the correct child seat or booster for their weight in both front and rear seats. Department for Transport publicity continues to promote the use of children's car seats.

Recognising the importance of child safety in vehicles, the Government introduced a reduced rate of VAT of 5 per cent. for children's car seats in 2001. At that time, as the hon. Gentleman was kind enough to highlight positively in his remarks, the Chancellor raised concerns about the number of children killed in road accidents and introduced the reduced VAT rate to help tackle the problem. He announced:

> "Around 6,000 children under eight years old are killed or injured each year on Britain's roads. It is vital that child car seats are correctly fitted and used to help protect children from harm when travelling by car. The VAT rate on children's car seats will be reduced from 17.5 per cent to 5 per cent. This will reduce the cost of buying an essential piece of safety equipment, and encourage parents to buy better quality car seats, which can often be easier to fit."

I am pleased to say that in 2002, the number of injuries suffered by children under eight years old travelling in cars fell to 5,107. By 2007, it had fallen further to 3,243. The Government continue to consider ways of reducing the number even more.

All child and booster seats that support the 2006 seat belt regulations benefit from the existing rate of VAT. The UK is one of only three countries among the 27 EU member states that have taken advantage of introducing that particular reduced VAT rate.

Bob Russell: I appreciate all the positive things that have been done. Does the Minister accept that the base and the car seat need each other, and that, having rightly reduced the VAT on car seats to 5 per cent., the Government should also reduce the VAT on the base, as the car seat cannot be used without it?

Angela Eagle: The hon. Gentleman makes a perfectly reasonable point. I am aware that the main issue in question is that a reduced VAT rate is not available for children's car seat bases; I just wanted to set the debate in context. I am sure that he understands that the picture is improving, and we all have an interest in seeking to improve it further.

The Government did not introduce a reduced rate for children's car seat bases in 2001, when the relief was first introduced for children's car seats, because such products did not really exist. Recent advances in technology have resulted in more specialised systems—the hon. Gentleman has mentioned ISOFIX—which improve the performance of child seats by rigidly attaching them to the car's structure by simply plugging them into location points. This greatly increases the likelihood of children's car seats being fitted correctly, which is obviously important. The hon. Gentleman has given some rather difficult examples of where that has not happened.

The issue is that some of those systems use children's car seats in conjunction with separate car seat bases, and that there is an anomaly because those systems do not qualify under the current rules. They have a relatively small market share at the moment, but I assure the hon. Gentleman that the seats that plug into those new base systems do benefit from the reduced VAT rate, although the bases do not. I am aware that Treasury officials have met the Baby Products Association, as the hon. Gentleman did before bringing this matter to the attention of the House, and that this issue has been discussed in detail in those meetings. I am also aware that the BPA has contacted a number of other MPs, who have consequently made pre-Budget representations for a reduced VAT rate for children's car seat bases.

As the hon. Gentleman has said, the Budget will take place shortly. We are currently in the middle of pre-Budget processes, during which issues such as this are brought to our attention and considered, so it would be premature of me to make an announcement today. I am sorry if that disappoints the hon. Gentleman, but I congratulate him on securing the debate. He has brought this important issue to our attention, and his comments are being considered along with the representations being made to us from all directions as part of the pre-Budget process. If there are to be any changes, they will be announced in the Budget in a few weeks' time. I am sorry to leave the hon. Gentleman dangling, and I am sorry that I cannot give a more detailed response at this juncture, but I hope that he understands why. We all share the common aim of reducing to zero, if possible, the fatalities of children and babies travelling in cars on our roads. We have made good progress with some of the changes that we have introduced, but more needs to be done, and we are considering this issue very closely.

1.22 pm

Sitting suspended.

Renewable Energy

1.30 pm

Natascha Engel (North-East Derbyshire) (Lab): I am grateful for having secured this Westminster Hall debate on what is becoming an increasingly urgent issue—the implementation of renewable energy targets.

In initiating the debate, my main aim is to make some constructive proposals to help us to move on from what I think is becoming an unsustainable situation. The main thrust of my argument is that we, as national Government, set UK-wide targets for renewable energy. However, the detail of those targets is left to each region's spatial strategy to determine, and the planning application and the political fallout from implementing those targets are left with local authorities.

Local authorities have to deal with the local campaign groups, which are almost always against having a wind farm or a waste-to-energy gasification plant near where those people live. The process is massively time consuming, with local groups organising meetings, petitions and marches on town halls, and often results in planning applications being turned down. That suits no one and goes no way towards meeting our important renewable energy targets.

Nationally, the Government have set themselves the ambitious target of having 15 per cent. of the UK's electricity produced from renewable sources by 2010 and 35 per cent. by 2020. Along with most other MPs, I support those targets. Most people now understand the urgent need to wean ourselves off environmentally damaging, unsustainable and dirty fossil fuels. In fact, when the targets were announced, many MPs had postbags full of letters from constituents demanding that the targets be set much higher, and, when we look at the current situation, it is easy to understand why.

The Local Government Association says that the electricity generated by renewables accounts for less than 5 per cent. of the UK's total energy output. The Government have done much more to address the problem of global warming and CO_2 emissions than any previous Government, but, in our hurry to implement those important policies, we are overlooking their impact on the people who live with the consequences.

For example, in and around North-East Derbyshire, two controversial planning applications are in the pipeline. The first is for a waste-to-energy gasification and incineration plant on the Sheepbridge industrial estate just outside Chesterfield. The second is for a wind farm on the edge of the Peak District national park. Those are two very different examples, but they illustrate how difficult implementation of our national targets is. I know that waste and recycling are not dealt with by the Minister's Department, but I hope he will indulge me, because the point I shall make towards the end of my comments will show why it is important to raise those issues.

The developers for the gasification plant claim that energy generated from their scheme would provide enough electricity to supply 16,000 homes, which is not an insignificant number. The plant is planned for an ex-industrial site and would use new, and as yet unproven, technology to convert compostable materials, such as wood and food, to gas for heating and hot water. Those compostable materials would be extracted from noxious and non-compostable materials. Some 75,000 tonnes of commercial waste a year would be delivered to the site, 15,000 tonnes of which would be separated and made into energy. The rest would be incinerated on site.

People, including me, support the development of new technologies to tackle our mounting waste problem. We need to stop sending so much waste to landfill and look more constructively at how we can reuse our waste to make energy. I absolutely support that. However, although the company planning the gasification plant at Sheepbridge says that any hazardous waste would be treated and would not escape into the atmosphere and surrounding towns and villages, people who live nearby do not want to take the risk.

The site may well be ex-industrial, but it is staggeringly close to the heavily populated outskirts of Chesterfield, including the whole of Dunston, Cutthorpe, Barlow and Whittington Moor. More than 20,000 people and several schools are in very close proximity to the site.

One 1,500-signature petition, several extremely well-attended public meetings and an expensive legal opinion later, the final decision on whether to grant planning permission has still not been made. The local authority will have to make that decision in the teeth of such opposition and local councillors will have to live with the political consequences. And now—this matter is dealt with by the Minister's Department—another planning application has been made, this time for five turbines at the Matlock wind farm, which is on the edge of the Peak District national park. Three of those turbines would be in my constituency of North-East Derbyshire and two in the Derbyshire dales, an area represented by the right hon. Member for West Derbyshire (Mr. McLoughlin).

That area may not be as heavily populated as the outskirts of Chesterfield, but it is, without doubt, an area of outstanding natural beauty. People have moved to the area specifically for its peacefulness, tranquillity and stunning views. Tourists come in great numbers every year for exactly the same reason. The Peak District and other national parklands are Britain's backyard. People come from far and wide—especially from our cities—to enjoy the beautiful countryside. Right by the turbines is the Darwin Forest country park, with its lovely pine lodges. It is situated there because it is miles from anywhere and has some of the most lovely surroundings. Tourism is the local economy, and putting wind turbines in the middle of the scenery would destroy it. If we are talking about sustainability, we need to calculate how many tourists would stop coming to the Peak district, get on an aeroplane and fly abroad instead.

I totally support wind farms. Although many people find them ugly and industrial, I absolutely love them. However, our national parks are not an appropriate place to put them. Again, the ultimate decision, along with the political consequences for it, rests with the local authority. A vocal local campaign group has sprung up, and petitions have been signed and public meetings held. A lot of time and money have been spent, the local community has been divided and conflict fills the local press.

Rural versus urban is also an issue that is relevant to the debate. It is unlikely that a similar five-turbine wind farm application would be made for central London. It therefore falls disproportionately on rural and semi-rural

areas to deal with implementing these targets. However, serious tensions also occur in rural areas. Farming is, without doubt, suffering hard for all sorts of different reasons. Farmers need to be ever more creative in generating income to keep themselves afloat, and having a wind farm or a composter on their land can be a lucrative lifesaver for them at a time when conventional farming is less profitable.

When we think rural and semi-rural, we usually imagine rolling countryside and landed gentry, but that is not always the reality. Places such as North-East Derbyshire are predominantly ex-mining and have been involved with other heavy industries. People in North-East Derbyshire have lived for generations with polluted landscapes and toxins. Many people just do not think it fair that many of these applications are made in their areas because they are classed as former industrial sites.

I want to make a small point about nimbyism. Whenever I meet people from local campaign groups who want to prevent projects from being built close to where they live, they always start by saying, "We're not nimbys, but..." I am sure that people are being nimbys, but there is nothing wrong with that. We are asking them to live with the consequences of the decisions that we are taking nationally. There is strong evidence to suggest that incinerators, and perhaps even wind farms, adversely affect house prices. If we want people to have such schemes in their backyard, we should be willing to compensate them. That could be done at the point of designating land that we make available for renewables and recycling schemes.

Given that we set our renewables targets nationally, we should also take responsibility for implementing them. The planning decision must still be made at local authority level, but the "small p" political decisions should be made here in Westminster. We need to act quickly. According to *The Sunday Times* this week, renewable power companies have so far erected 2,390 wind turbines at 200 onshore sites. Another 4,800 are planned, with many more to follow. That is a lot of people's backyards.

Clearly, something needs to be done about the implementation of our ambitious targets to avoid costly, time-consuming and divisive local campaigns. I have two proposals to which I would like the Minister to respond. First, we should consider designating certain areas within each region where planning applications for renewable energy projects could be actively encouraged. Those areas would be identified nationally and would take account not only of areas of outstanding natural beauty, but of proximity to dense populations.

While we are still putting the finishing touches to the infrastructure planning commission, which is a national body that will look at planning decisions of national significance, we should consider including projects for renewables and recycling, as well as sites for nuclear energy generation, large road-building projects and aviation schemes. A nationally led but locally determined system for managing those applications seems the only way ahead.

Secondly, I would like the Minister to look at the feasibility of 2-km buffer zones, which have been considered in Scotland and other European countries, most of which are far less heavily populated than England. The IPC could make recommendations on buffer zones, which would mean that any applications for renewables or waste-to-energy projects were ideally at least 2 km from cities, towns and villages, and certainly as far away from densely populated areas as possible.

The 2-km buffer zone would be a consideration when the IPC designated land for renewables and recycling use. The advantage would be the designation of areas, not the planning application itself, becoming the issue. That would mean that difficult arguments could be resolved before an application even went in, which would leave local authorities to make planning decisions on the merits of the scheme alone, rather than having to deal with the political fallout from applications for unpopular schemes. It would certainly be more time-efficient and far less costly.

I appreciate that I am straying into the responsibilities of the Department for Communities and Local Government, but a 2-km buffer zone would mean applications such as the one for the gasification unit at Sheepbridge, which would be so close to a major town and surrounding villages, never being made.

I am concerned that, unless we resolve the issue of how we implement our national targets, we may end up either entirely failing to meet them or forcing them on to unwilling communities. I hope that the Minister will take my suggestions in the helpful spirit in which they are intended. I look forward to hearing his response, although I will fully understand if he does not want to veer into areas covered by other Departments.

1.42 pm

The Minister of State, Department of Energy and Climate Change (Mr. Mike O'Brien): It is a pleasure to serve under your chairmanship, Mr. Gale.

I congratulate my hon. Friend the Member for North-East Derbyshire (Natascha Engel) on securing this debate, and on her erudite and constructive contribution to the crucial issues that it raises about renewable energy and ensuring that suitable sites are found for development. She raised a couple of cases that are currently in the planning process. She will understand that, as a result, I cannot comment on them, but she has, with her usual forcefulness, set out the case of her constituents and ensured that it is brought to the attention of Ministers.

Combating climate change while ensuring that we have secure energy supplies is the biggest long-term challenge that this country and, indeed, the world faces. Energy efficiency, nuclear power, carbon capture and storage, and renewables all have a role to play in meeting our commitments to provide 15 per cent. of our overall energy from renewable sources by 2020, and to reduce greenhouse gases by 80 per cent. by 2050. As my hon. Friend said, we are looking for about 35 per cent. of our electricity to come from renewable sources by 2020.

To have the best chance of meeting those challenges and ensuring that our actions are not just ambitious but fair to people and sustainable, we must consider all reasonable options. The UK is in the privileged position of having outstanding natural resources for renewable energy: hydropower, onshore and offshore wind, and wave and tidal stream energy. We are starting from a low base of deployment, but we have made significant progress in recent years, with a near tripling of our renewable electricity generation since 2002.

[Mr. Mike O'Brien]

We have been successful in encouraging the market to deliver investment, and there is much more in the pipeline. As of October 2008, more than 2,000 MW of renewable electricity generating capacity was under construction, 6,300 MW has been consented to and 8,700 MW is in planning. The UK is now No. 1 in the world for offshore wind, overtaking Denmark in October last year. At the same time, we passed the 3 GW mark for installed wind, both on and offshore.

However, if we are to meet the challenging targets that we have set ourselves for increasing the proportion of our energy that comes from renewables, we need a contribution from all renewables technologies, not just onshore and offshore wind; for example, from waste, biomass, microgeneration, and heat technologies. Notwithstanding the impacts of the current financial downturn, the Government are committed to meeting their targets for renewables, and we are looking at ways to help companies invest.

To reach our target, we will need to increase deployment some eightfold in just 11 years, but we must be clear that meeting the challenge will require a more rapid deployment of new infrastructure across the UK, and that there will be local impacts from such deployment. Along with our plans for new nuclear power and energy efficiency, that represents a significant change in how this country will use and supply energy over the next decade. Delivering on that national change, our Big Energy Shift means getting the framework right to ensure that schemes are built in the right places, at the right times. It also means engaging with communities at all levels to ensure that not just national benefits but local and community benefits are delivered.

Planning will be key to getting the renewable energy infrastructure that must be built in time for 2020. The planning system is where we ask economic, social and environmental objectives to be integrated, and where potential conflicts between the interests of individuals or local communities and the needs of the nation as a whole are reconciled.

Given the scale of the challenge that we face, each and every decision on a renewable energy project counts. We must be aware of the interests of local communities, listen to legitimate concerns about specific proposals and their location, and give industry as much certainty as possible on whether a project is likely to gain consent and, if so, when. If the risk of development is too great, investment will stop flowing and could move to other countries.

Where and when we get renewable energy developments is dependent on business wanting to invest and having the confidence to do so. Likewise, if local communities feel ignored, they will lose trust in the accountability of the decisions made on their behalf. The planning system must create an attractive environment for the private sector to invest in renewable technologies, but balance that with local concerns. We need to tackle delays in planning and ensure that projects for renewable energy are refused planning permission only if there are sufficient reasons for doing so. That means getting good quality applications through the planning system and looking at ways to improve the system in the longer term.

We are gearing up the planning system to help make the move to a low-carbon economy with much higher use of renewable energy. The reforms that we introduced last November in the Planning Act 2008 will play a vital part in achieving that. The delivery of the reforms set out in the Act will be key to meeting our 2020 goals, and we are on track to produce national policy statements for consultation and parliamentary scrutiny later this year. They will set out for the first time the national importance of energy infrastructure and how the policy interacts with the planning process. National policy statements will be a material consideration for decisions made under Town and Country Planning Acts and will help to ensure that renewables decisions are taken consistently whether they are large or small.

The planning policy statement on climate change already encourages regions and local planners actively to plan for and support renewable energy generation, including by allocating and safeguarding sites. That is an important part of encouraging a proactive approach to increasing the amount of renewable energy but also helps to ensure that there are more benefits for local communities. However, we need to do more.

In our renewable energy consultation last summer, we set out a range of ideas for increasing local and regional ownership of planning applications for renewable energy, for increasing capability in the planning system, and for improving the quality of applications. The Government are committed to publishing our renewable energy strategy this summer, in which we will set out our views in the light of consultation.

In our heat and energy saving strategy consultation published last month, we further explored how to engage with local communities and householders on energy use and supply, and in particular how we can ensure that consumers, businesses and communities are able to realise the benefit of lower energy bills and reduced carbon emissions.

My hon. Friend put forward a number of suggestions, and I shall deal with them now. She asked us to consider the idea of designating, within each region, certain areas where planning applications for renewable energy projects would be encouraged. There is already an expectation that regions will set some targets for renewable energy in line with national policy. Planning policy statement 1, in its supplement on climate change published in December 2007, asks regional and local authorities to identify broad areas that they consider appropriate for renewables development, and sites. We set out a range of possible measures in our renewable energy strategy consultation, which was published last summer, to ensure that regional and local authorities plan positively for renewable energy.

Although we are not quite doing what my hon. Friend suggests, we can look at her ideas with great care, because they fit in with the broad strategy that is being adopted. We want local authorities to plan positively for renewable energy, and, in the renewable energy strategy this summer, we will set out our views on how that can be taken forward.

Natascha Engel: When my hon. and learned Friend talks about designating areas, does he mean local authority areas or specific sites within those areas?

Mr. O'Brien: The general idea is that local authorities will identify broad areas either where renewable energy projects will be encouraged or considered for development, or where concerns are low. To some extent, the companies that bring forward the projects will decide where they want an application to be considered. They will make the application, and we need to ensure that the planning process determines it in the most appropriate way.

We are looking for areas, within each local area or region, where local and regional authorities can take a view on the location of renewables. We are not necessarily saying "This is the field," but, more broadly, "This is the area where applications will be considered." The local authority and the applicant will then decide on the application's location.

My hon. Friend also asked about the role of the infrastructure planning commission. It will deal with major infrastructure projects and decide on onshore renewable electricity projects of more than 50 MW in scale. Smaller project clusters of cumulatively more than 50 MW will be called in to the IPC, too. We firmly believe, however, that it is important for local government to maintain its role in deciding on 50 MW projects and lower. That is our view on relatively small projects.

My hon. Friend asked about 2 km buffer zones, and that issue is addressed by the current planning process—in a sense. Local authorities and planners can determine the buffer zone for an application. She says that, generally, there should be a 2 km buffer zone, but, although separation distances are needed for a range of impacts, such as noise, health and safety and so on, they tend to depend on the specificities of the project, such as the number, height and location of the turbines, the general topography of the land and more. We therefore consider that, currently, separation distance can be dealt with case by case—in line with PPS 22, on renewable energy, and its companion guide.

My hon. Friend suggested something broader with a general application, but the issue depends on the area. Some urban areas may want wind turbines of a significant size. For example, they may be located in an urban estuary area, and the local authority may take the decision. We would not want to do anything to prejudice the local desire to locate a project in their area just because it did not happen to fit in with the 2 km suggestion. The planning system currently has to consider in each case the idea of a reasonable distance between villages, towns and larger urban areas and the location of a planning application.

Natascha Engel: The issue is normally wind turbines, and, in all the documents that I have read, a lot of consideration is given to areas of outstanding natural beauty, but densely populated areas are not discussed much at all. On the issue of a 2 km buffer zone, those areas ought to be top of the agenda, but I did not see them anywhere.

Mr. O'Brien: When we introduce feed-in tariffs, local communities will see the benefit to them, because the tariffs mean that a certain amount of money could come out of the generation and go into the local community, providing not only energy but financial resource. The tariffs come in next year, and we expect them to have a significant impact on people's views. It is all very well locating a number of wind turbines in a community, because they generate electricity for the rest of the country; however, the community has to have the turbines and, if, like my hon. Friend, it quite likes them, that is fine, but if it does not, it has a problem. Each person tends to have a different view, so it is best if we find a way for local communities to see that they could benefit from wind turbines.

In Germany, for example, feed-in tariffs mean that local communities often welcome a turbine in their area, either because they want it to generate electricity from which they will benefit, or because they see that the turbine will generate beneficial funds for the community as a result of its location. Such feed-in tariffs may affect the attitudes of some local people: if they see a positive local benefit, they may take a different view. In a democracy, people always take all sorts of views and, in many ways, the joy of living in a democracy is that people are entitled to do so.

We agree with my hon. Friend that local and regional authorities must begin to consider their areas and plan for renewables proactively, rather than simply consider applications as they come in. They will have to do that in any event. If they have a view about where they think it right and permissible to locate wind farms or other renewables, they should ensure that local communities know the expectations for that area. That is true in relation to renewables, but it would not necessarily apply to other applications. To some extent, local communities, and local authorities in particular, must decide what is best for themselves. We do not want to centralise everything. We want local communities to have their say, and we want to ensure that, in a democracy, people who are directly affected by something have the right to voice their view about it and to make sure that that view is not only heard but, in many cases, listened to, resulting in the decision being made as they want it to be.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 1 April 2009

[JOHN BERCOW *in the Chair*]

National Dementia Strategy

Motion made, and Question proposed, That the sitting be now adjourned.—*(Barbara Keeley.)*

9.30 am

Jeremy Wright (Rugby and Kenilworth) (Con): I am delighted to open this debate, but I would rather have listened to the Minister do so on the Floor of the House in a Government debate in Government time on this Government strategy. Such a debate has been asked for, as you know, Mr. Bercow, several times. I asked for one during business questions recently, when the Leader of the House responded:

"I shall take that as a suggestion for a future topical debate."—[*Official Report*, 5 February 2009; Vol. 487, c. 986.]

My hon. Friend the Member for Rutland and Melton (Alan Duncan) raised the matter again the following week, also at business questions, when the Leader of the House said:

"I will look at the forthcoming business of the House and see whether we have enough opportunities to debate those important issues".—[*Official Report*, 12 February 2009; Vol. 487, c. 1516.]

No debate was forthcoming, so the hon. Member for Leeds, North-West (Greg Mulholland)—I am delighted to see him in his place—asked whether we could have a debate in Government time to talk about this important initiative, but the Leader of the House replied:

"These issues are important, and this might, perhaps, be the subject of a Westminster Hall debate.—[*Official Report*, 5 March 2009; Vol. 488, c. 995.]

Indeed they might.

The hon. Gentleman, not to be daunted, returned to the matter at Health questions, when the Minister said:

"If the hon. Gentleman wants to debate the strategy in the House, he can use the usual channels to arrange for such a debate on a Liberal Democrat Opposition day, but I am very happy to debate the strategy because it is an excellent strategy that has been welcomed across the country."—[*Official Report*, 24 March 2009; Vol. 490, c. 153.]

Yet despite the Minister's enthusiasm for a debate on the strategy and, I am sure, his delight at having the opportunity to respond to one today, it should not have been left to me, with the indulgence of Mr. Speaker, to initiate it. The Government's apparent reluctance to debate their own strategy is mystifying because it seems that they can be justifiably proud of it. It is a huge step forward for those with dementia, those who care for them, and those who campaign for them. It is an important part of the country's response to a challenge of staggering scale.

Hon. Members will know the numbers, but they are worth repeating. In the UK, 700,000 people have dementia, and that number will double in 30 years. Dementia costs us £17 billion a year, more than the cost of cancer, heart disease and stroke combined, and that sum will treble in 30 years.

Bob Spink (Castle Point) (Ind): The hon. Gentleman is talking about the cost of dementia, and he will be aware that if we are to understand, prevent and treat it, a lot of research is needed. The amount spent on research in this country is only about one third per head of that spent in the USA. No doubt he will come to that. The total amount spent on dementia in this country is about the cost of one mile of motorway each year. That puts the issue into context, and shows that the Government must spend much more on research.

Jeremy Wright: I agree with the hon. Gentleman, and I hope that he listens to that part of my speech when, as he correctly predicts, I come to it a little later. He is absolutely right, and emphasises my point that we simply cannot afford to ignore dementia, yet for years we have effectively done just that.

The Minister's predecessor used to say that his objective was to bring dementia out of the shadows. With the help of campaigning groups such as the Alzheimer's Society and some immensely courageous individuals, the Government have largely succeeded in that objective. Dementia is unquestionably higher up the political agenda than even two or three years ago. But now that we have the strategy and it stands in the glare of new-found and welcome public attention, it is vital that it stands up to scrutiny, so we must discuss what happens next: how will the strategy be put into practice? I hope that the debate will focus on that.

The national dementia strategy is wide-ranging, as it should be, and I cannot do justice today to everything in it, so I shall concentrate on several aspects of what it seeks to achieve. I shall begin in a logical place—diagnosis. The strategy recognises that we do not diagnose dementia as often and as early as we should. Unless a sufferer's dementia is identified, none of the strategy comes into play. Encouragingly, the Government have said that they intend to look at the training of general practitioners, so that those who are often confronted first with the early signs of developing dementia may have more confidence to make the appropriate diagnosis. Perhaps the Minister will update us on precisely what is to be done.

We all recognise that general practitioners are just that—general practitioners—and cannot be expert in every condition. They must also have the opportunity to refer to specialists, as the strategy states. It is crucial that, following diagnosis, appropriate advice and support is offered, and I am pleased that the strategy both recommends that and recognises that the voluntary sector has a lot to offer in fulfilling that role. It is not only GPs who need more training. Objective 13 of the strategy refers to

"An informed and effective workforce for people with dementia".

As the Minister knows, the all-party group on dementia, which I chair, is working on an inquiry into the training needs of those who provide care for people with dementia in residential care homes or in their own homes. I do not want to pre-empt any conclusions, but I want to make some personal comments about a matter that is crucial to the strategy's success.

Given that two thirds of the care home population is estimated to have some form of dementia, it is shocking that no training in dementia is required for those who work in care homes. How can good quality care be provided to those people if those providing it have no

[Jeremy Wright]

real understanding of the condition? Surely we must have such training for all those who work with the elderly throughout the health and social care sectors, and we must have it soon. That is why I am worried about what the strategy impact assessment says. Paragraph 5.109 on page 30 states that

"in developing the strategy we have become aware of the complexity in making change to undergraduate and vocational curricula and in terms of securing the ability to deliver training in social care settings, especially those that are outsourced or provided by private companies. We have therefore made such change a longer-term goal that needs to follow a period of at least two years detailed consultation and joint development work co-ordinated by the Department but including all training providers."

I hope that the Minister can reassure me that the sense of urgency that should run through this part of the strategy is present in Government thinking. If the Government are to succeed—I fervently hope that they will—in persuading providers and commissioners of care to pay much more attention to the need for the caring work force to understand dementia better, we must ask who will provide the necessary training. The strategy deals with that on page 29 and states:

"There is currently a range of training and education providers in dementia care but there is no nationally recognised system of quality assurance. Some form of 'kite-marking' of good practice would assist commissioners and care providers in selecting effective training."

That seems to understate the problem. If the market for training expands, as it must, so will the number of signs above doors stating "dementia trainers". There must be a way to distinguish which training providers offer a product of the requisite quality, and again I hope that the Minister can offer us some reassurance on that.

I would also like some reassurance on anti-psychotic drugs. As the Minister knows, the all-party group produced a report on the subject last year, which concluded that the over-prescription of such drugs for people with dementia was widespread and had very damaging consequences. We made several recommendations about how such overuse might be reduced, so we were pleased that the Department of Health press release of 19 June 2008, which announced the consultation on the national dementia strategy, stated:

"The Government's announcement today includes a number of immediate actions, as well as other proposals which will be consulted on over the coming months. These include: An immediate review"—

that was first in the list—

"into the prescribing and use of anti-psychotic drugs to treat sufferers of dementia. This work will be completed before the publication of the National Dementia Strategy in the Autumn."

We know that the timetable for publishing the strategy itself was subject to change, although I do not want to cover that this morning. The point that I do want to draw from that quote is the sequence to which it refers, of a review of anti-psychotic drugs coming before the strategy's publication. That sequence is important because if, as we concluded in the report, the overuse of those drugs is a serious problem for people with dementia and the solution is to be found in better training of staff, more frequent reviews of medication and closer involvement of family and friends in prescribing, among other things, all of which are central to other objectives of the national dementia strategy, it would surely be sensible to integrate the response to the over-prescription of anti-psychotic drugs into the strategy itself.

Mr. Paul Truswell (Pudsey) (Lab): I congratulate the hon. Gentleman on securing a debate on such a crucial issue. Is it not also vital that, at the moment and in the future, we adopt a much more robust inspection regime to ensure that staffing levels are adequate to meet the needs now of people living with dementia, that in due course staff are properly trained and that issues such as the abuse of anti-psychotic drugs can be addressed as soon as possible?

Jeremy Wright: I agree entirely. The two issues that the hon. Gentleman mentions of training and inspection—regulation, in fact—are extraordinarily important. Unless we get those right, the strategy will not fulfil its aims. If he will forgive me, I shall return to both matters, or certainly regulation, in a few moments. I just want to finish what I was saying about the review of anti-psychotic drugs.

I am sorry to say that, having read carefully what the press release of 19 June said about what would be done on the review, we were somewhat disappointed by the answer to a written question from the hon. Member for Sutton and Cheam (Mr. Burstow), to whom I pay tribute for his extremely hard and long-standing work on this subject. On 15 October, the Minister said:

"The strategy"—

the national dementia strategy—

"is now likely to be published in mid-November, and we anticipate that the results of the anti-psychotics review will be published early in 2009."—[*Official Report*, 15 October 2008; Vol. 480, c. 1339W.]

In other words, not only had the timetable slipped, but the order of events had changed. We were told then that the review of anti-psychotic drugs would take place after publication of the strategy.

Then matters slipped yet further, because in answer to another written question, from my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), the Minister confirmed:

"The work of the review will be concluded in spring 2009."—[*Official Report*, 24 February 2009; Vol. 488, c. 640W.]

I hope that the Minister can confirm today that we will not have to wait any longer than spring this year for the results of that vital review.

Unfortunately, it is not only the timetable for the anti-psychotics review that seems to be slipping. There is also the matter referred to by the hon. Member for Castle Point (Bob Spink)—research. A research summit was promised initially in the Department of Health press release of 19 June. It stated:

"The government will hold a summit over the summer with key stakeholders and research organisations to consider a planned programme of research into dementia and the potential for further development."

The summit should have taken place in the summer of 2008. Here we are in the spring of 2009 and it still has not happened. That matters because the importance of research should not be underestimated. Only more research can give us effective treatments for dementia and, one day, a cure. Only more research can give those affected by dementia the hope that they so desperately need, yet

in Britain we give dementia research a low priority, as the hon. Gentleman rightly said. It is worrying that, like the review of anti-psychotics, the promised research summit seems to trail further and further behind the national strategy instead of being a full and important part of it.

David Lepper (Brighton, Pavilion) (Lab/Co-op): I, too, congratulate the hon. Gentleman on securing the debate. I am sure that, like me, he will agree that funding is vital to taking forward all aspects of the dementia strategy and, indeed, of the carers strategy, which is related to it. I welcome the additional funding that the Government are providing, but does he share my concern that that funding and the money for the carers strategy is not ring-fenced and that therefore organisations, particularly at local level, such as the Alzheimer's Society, carers organisations and the local dementia strategy organisation in my constituency, of which I am a trustee, need to be particularly vigilant in seeing that primary care trusts use the money properly?

Jeremy Wright: I am always gratified to be in tune with the mood of the House, and once again the hon. Gentleman anticipates something that I am going to say. I agree entirely: it is right to be concerned about the lack of ring-fencing. There is another issue of concern, too. I am conscious of the time and that other hon. Members wish to speak, but I wish to make two more points. The lack of ring-fencing is one, but if he will forgive me, I shall deal with the other first.

I hope that today marks a new dawn in the regulation of dementia care—a matter that the hon. Member for Pudsey (Mr. Truswell) raised. During the last all-party group inquiry into the overuse of anti-psychotic drugs, we took evidence from the Healthcare Commission and from the Commission for Social Care Inspection, and the gap between them was striking. In essence, CSCI told us that it was not responsible for regulating the prescription of those drugs, because drug prescribing was a health care matter, and the Healthcare Commission told us that it was not responsible for it either, because the drugs were being used in a social care setting.

The creation of the Care Quality Commission, which begins work today, means that the gap has disappeared. As a regulator of both health and social care, it can, I hope, do a great deal to improve dementia care, which, as we know, awkwardly straddles the artificial boundary between the two. However, the CQC will need to focus on dementia care to make that happen. Therefore, will the Minister tell us today that dementia will be a priority for the CQC, as well as for the health and social care systems that it regulates?

Finally and perhaps inevitably, we need, as the hon. Member for Brighton, Pavilion (David Lepper) said, to talk about money. When the national dementia strategy was published on 3 February this year, the Department of Health press release that accompanied it referred to

"The first National Dementia Strategy, backed by £150 million over the first two years".

I think that most of us who read that press release assumed that that was £150 million of new money and that it was to be devoted to delivery of the dementia strategy. I am not sure that we were right to assume either of those things.

I had a letter from the chairman of my local PCT. He wrote to me, in part about the strategy, on 3 March, and said:

"The PCT and Warwickshire County Council are planning to consider together how to deliver the Dementia Strategy through redesign of existing spend, given the financial challenges facing both the Council and the PCT currently."

That, as hon. Members might imagine, caused me some concern, given what I had read about £150 million of apparently new money, so I asked the chairman of the PCT for clarification of what he meant by that statement. In his letter of 12 March, he gave this explanation:

"The money does not come ring fenced"—

just as the hon. Gentleman said—

"and alongside of the block funding come a number of priorities that the Government would like the local health and social care economy to address. The local health and social care economy then has to decide how it prioritises addressing these within the block funding, and on a value for money basis, what possibilities exist within existing funding streams for service redesign."

My point is not that it is wrong in principle for local PCTs to have a degree of discretion over how they spend their money. However, it is interesting that the Minister himself had given further clarification a few days before, on 24 February—again in answer to a written question from my hon. Friend the Member for South Cambridgeshire. He explained:

"The £150 million is revenue, not capital expenditure. It is being made available as part of primary care trusts'...overall general allocations. These are increasing by 5.5 per cent. in each of 2009-10 and 2010-11, a total increase of £8.6 billion over the two years of which the dementia funding is part. PCTs have flexibility over the use of these resources in line with the operating framework."—[*Official Report*, 24 February 2009; Vol. 488, c. 640W.]

The operating framework was published with the revenue allocations to which the Minister referred in that answer on 8 December 2008—almost two months before the national dementia strategy was published. It is true that the operating framework mentions dementia as one of the priorities to be determined and set locally by each PCT, but there is nothing like the detailed guidance provided by the strategy. It is clear that the £150 million mentioned in connection with the strategy is, as the hon. Gentleman said, not ring-fenced for delivery. Nor is it impossible that PCTs and local authorities will already have decided their spending plans for the next two years before even having laid eyes on the dementia strategy. If that is so, how can we be sure that the funding necessary to deliver the strategy's objectives will be available?

In conclusion, I say again that I welcome the strategy and I again congratulate the Government on introducing it. However, none of us can go on simply taking curtain calls for its existence; we must make it a reality and make it work for the people with dementia who need it. I do not doubt the Minister's commitment to the task or the commitment of those who work with him on it, and nor do I doubt the difficulty of that task. However, I ask him to take this opportunity to deal with the points that I have raised and to use this debate to discuss the next steps in addressing this fundamental challenge, which we are no longer ignoring, but which we are still some way from defeating.

9.52 am

David Taylor (North-West Leicestershire) (Lab/Co-op): It is a pleasure to follow the hon. Member for Rugby and Kenilworth (Jeremy Wright), who is almost a neighbour of mine. He has a long-standing interest in this issue and is always lucid and thoughtful in debates on it. I congratulate him on securing this urgently needed debate at the fourth or fifth time of asking.

As was his custom, Albert Einstein neatly captured the essence of a broader ill in society when he said:

"The intuitive mind is a sacred gift, and the rational mind its faithful servant. We have created a society that honours the servant and has forgotten the gift."

For a long time, Governments of various colours could be accused of having forgotten the gift. While other terrible diseases, such as cancer and heart disease, have benefited from long-term research funding, the same cannot be said for dementia, and the difference in the improved treatment and understanding of those other diseases is clear.

With the advent of the national dementia strategy, however, there has been some hope of a cogent and coherent plan to tackle this terrible condition, which affects more than 1,000 people on average in the constituency of every one of us in this Chamber and in this House. As the hon. Gentleman rightly said, the strategy is welcome and a huge step forward. We acknowledge that, and its contents are certainly encouraging.

As some hon. Members may be aware, I introduced a ten-minute Bill on the management of dementia in care homes during the previous Session. On work force planning and training, one of its objectives was to make dementia training, including the use of antipsychotics, mandatory for care home staff, because it is not mandatory at the moment. As the hon. Gentleman said, that is shocking, and I will return to the issue later in my contribution.

I would like to spend a few moments talking about the relationship between the national dementia strategy and last year's carers strategy, which my hon. Friend the Member for Brighton, Pavilion (David Lepper) mentioned in an intervention, before turning to how we can combine them with better training and support for professional carers to ensure that we continue to cherish our cognitive gift, even once dementia has begun its remorseless ravages.

Ultimately, the aim of a national strategy for the treatment and care of dementia patients should be the balanced provision of services, with home care and family support wherever possible, and professional care from suitably trained and qualified carers based on need. Two thirds of dementia patients live at home, with the remaining third in the residential care system. The carers strategy is therefore clearly central to supporting family carers in delivering improvements, and the seventh objective of the national dementia strategy, in which the Government acknowledge the necessity of joint working between the officials responsible for delivering the respective strategies for carers and dementia, is welcome.

Although it is worth noting that carers' benefits remain untouched by the carers strategy, I welcome carers' access to more and longer breaks from their duties, the provision of more support by the NHS locally, the extension of the new deal for carers and the recognition of young carers' needs. Such things have clear benefits for all carers, and especially those caring for relatives, spouses or friends who are touched by dementia.

However, we must listen rather more closely to carers if we are successfully and effectively to implement the Government's proposals in the carers strategy. Page 13 of the strategy says that by, by 2018, the Government envisage that

"carers will be universally recognised and valued...Support will be tailored to meet individuals' needs, enabling carers to maintain a balance between their caring responsibilities and a life outside caring, whilst enabling the person they support to be a full and equal citizen."

Certain people with dementia are not full and equal citizens now.

Bob Spink: The hon. Gentleman mentions those with dementia being full and equal citizens. Does he support—this is a rather sensitive issue—tags being used with victims of dementia where families want to use them to give their loved ones more freedom and longer and better care in society?

David Taylor: I am grateful for that intervention. Having seen the effect of dementia on constituents' families and, years ago, on a member of my own family, I think that I would support a limited pilot of something along those lines to check its weaknesses. Superficially, it has some attractions, and I can understand that.

We must listen to carers because, by the Government's own admission, and as the Alzheimer's Society has consistently asserted, the present standard of care for dementia patients is distinctly uneven across our land. I repeat that, in pursuing the much-needed reform and improvement of dementia services, we are starting from a much lower base than is the case for diseases such as cancer and cardiovascular diseases.

Let me give a snapshot of present provision in Leicestershire. A number of weaknesses have been identified by constituents caring for spouses or relatives with dementia who have contacted me. Issues include late diagnosis and a lack of information on support and advice for newly diagnosed dementia patients and their carers. I am also concerned that the direct payments scheme for carers may not be as helpful as it could be to those responsible for loved ones with dementia. To take one example, my constituent Derek Barham cares for his wife Maureen, who has advanced dementia, and I know them well because they are friends of mine. He and his wife qualify for direct payments, but they are unable to use cash from this source to pay for a nurse who is qualified to care for dementia patients. Nor can carers who attend under the scheme help the patient with toilet visits or other physical support. The main carer is therefore relieved from their duties only in the sense that they do not have to be in the same room at all times. People in Leicestershire qualifying for direct payments and who care for under-65s with dementia also have problems accessing day centre services, where staff are more likely to have appropriate training in dementia care.

I have written to the Minister about the problems with direct payments that my constituent has identified and I recognise that they may be peculiar to Leicestershire, but I am not sure. However, it is useful to register this

example of the experience of the first round of reform for carers, particularly those caring for people with dementia.

It is equally important to register good local examples of dementia and carer support work. I take this opportunity to pay tribute to the excellent Side by Side project for carers of younger dementia patients. The Alzheimer's Society, which is doing fantastic work in this area, is undertaking the project in Leicester and Leicestershire. The project explicitly consults and includes the person with dementia in designing a care and support package that they and their carer can access from Side by Side, so that they can continue to lead as normal a life as possible post-diagnosis. I believe that the project could well be rolled out across the country by the Alzheimer's Society and the aims of the carers strategy and the national dementia strategy will be greatly supported by it.

David Lepper: Will my hon. Friend acknowledge that a huge problem faced by many carers is that they are often the elderly husbands, wives, partners or friends of equally elderly people, and that their age, and sometimes physical infirmity as well, can put additional strain on them in their caring duties? However, they want to care for their loved one.

David Taylor: It is ironic in some ways, but those carers themselves need tender loving care from their wider family and the professionals who exist to give such support. I should like some respite care to be available on a rather greater scale than at present, which would be helpful.

The carers strategy maps out improvements that will support and enhance the role of almost 600,000 family carers in this country who are responsible for the care of spouses or relatives with dementia, but the national dementia strategy commits only to making guidance available to care home staff on best practice in dementia care. I acknowledge that the NDS proposes that care homes nominate a lead member of staff for dementia and that local authorities and PCTs provide in-reach services for residents with dementia. Yet it seems that we have missed an opportunity to bring the level of dementia awareness and treatment in care homes to a decent minimum standard. That should not impede other NDS proposals for care homes, provided that the Care Quality Commission comes into operation with an independent and robust inspection regime for care homes, including scrutiny of the treatment of residents with dementia.

The CQC is born today; this is its first day of operation, and I do not know who the parents are but we should congratulate them, given the track record of CSCI in this context, and the fact that its response to questions in the all-party group's last inquiry about why the use of antipsychotics was not monitored for effectiveness and appropriateness was, to paraphrase, "Not me, guv." It seems obvious to many that training residential staff in dementia care would help to ease the difficult transition from home to residential care that thousands of individuals and their families and carers face every year.

The idea that we must raise standards of care in residential homes for dementia patients is borne out by last month's Laing and Buisson survey of the UK private care home market. It found that a third of care homes allegedly specialising in dementia—according to their notepaper and the notice boards outside—do not provide their staff with dementia care training. That is illogical and unacceptable. That lack of specialist training in dementia is extraordinarily lax and a further illustration of the dangers of dogmatically introducing the free market into long-term care, rather than providing a minimum standard of care for all, whether in public or private residential accommodation. Two thirds of care home residents have dementia. That figure needs to be repeated time after time. The dementia population is likely to double over the next 20 years and the majority of long-term care placements are due to dementia. Yet still care homes advertise themselves as specialists and are not required or inclined to train their staff in how to treat residents suffering from that terrible disease.

We must also remove the threat to dementia sufferers in residential care of the inappropriate prescribing of anti-psychotic drugs, which the hon. Member for Rugby and Kenilworth mentioned in his opening remarks, and which unnecessarily blights the lives of more than 100,000 people. That number of people would fill the new Wembley stadium; that is how many care home residents are receiving inappropriate medication to quieten down symptoms that could be tackled in non-pharmacological ways. That is a disgrace. In my ten-minute Bill of 14 May last year, I highlighted the key factors in ending that medically crude and socially unjust practice; those factors must be the regulation of the use of those powerful drugs in residential settings, and mandatory training in dementia for all care home staff.

Like the hon. Gentleman, whom I will call my hon. Friend in the present context, and, I am sure, our fellow members of the all-party group on dementia, I am disappointed that our inquiry and subsequent report into the widespread use of anti-psychotic drugs in treating dementia sufferers living in care homes, entitled "Always a last resort", has not yet helped to persuade the Government to make specific provision within the NDS for an end to inappropriate prescribing. The Alzheimer's Society and the Royal College of Nursing, among others, state that the use of anti-psychotic drugs for residents whose behaviour is defined as challenging, or who are suspected of being capable of challenging behaviour, accelerates the cognitive decline of the patient and increases the risk of cardiovascular disorders. That is the dreadful factor in this. It may make things easier for staff and less distressing for other residents, but that is the fact. The practice can only accelerate the decline of dementia patients and, as such, should be addressed in prohibitive terms by the NDS.

We await with interest the publication of the review of anti-psychotic drugs this spring, although I am not sure when spring is; it technically starts on 20 March, does it not? Might it run until late September? Who knows? We must look in the Government's lexicon of terms. It is a source of concern that that work is separate from and later than the NDS itself. Perhaps the Minister will include this matter in his reply.

The population of dementia sufferers will be close to 1 million by 2025 and the Government acknowledge that the pace of implementation of the NDS will vary across the United Kingdom. In five years' time, after the demonstrator sites and evaluation work, decisions on further funding for the NDS will be taken. Whoever

[David Taylor]

is in government in 2014—it may be the Labour party, in our fifth term, I guess—will have to contend with a rapidly growing population of dementia patients. *[Interruption.]* Let the record show the murmur of assent across the Chamber at my mention of a fifth term. It is crucial that over the next five years, the development of clear and flexible care pathways for the treatment of dementia patients must be a priority for all those in local government, the NHS, the voluntary sector and the private sector who are involved in the care and support of individuals, carers and families affected by dementia.

The development of the understanding, treatment and perception of dementia that we all hope the NDS will achieve must start at the beginning with early diagnosis. I note that my hon. Friend referred to that early in his remarks. Unfortunately, as the Government's quality outcomes framework has identified, dementia is being identified at a rate of only 40 per cent., which leaves the majority of people suffering from dementia at any one time going undiagnosed for an indefinite period. We are making progress, it is true, and I know that the Minister is concerned about the issue.

David Lepper: Does my hon. Friend share my concern that where diagnosis is being well done, increasingly, numbers of younger people—some in their late 30s or early 40s—are being diagnosed with dementia and that that is a patchy picture across the country, but one to which the Department of Health perhaps needs to pay attention?

David Taylor: My hon. Friend is of course right. The number of early-onset dementia patients is underestimated according to whoever one talks to. I think of a close family friend who seemed unusually forgetful in her late 30s and early 40s, who was eventually diagnosed with dementia and is in a pitiful condition as we stand here this morning. She is now in her 50s, but that is early onset, by any definition, and more needs to be done.

The National Audit Office estimates that only one third of people with dementia receive a formal diagnosis. That is yet one more illustration of the low level that we are starting from and, as such, evokes a "better late than never" response to the NDS, which cannot come soon enough for the patients, carers and families who have to contend with dementia on a daily basis.

Dementia patients face a distressing and disturbing lottery that is only partly geographically-based. The NDS, the carers strategy, the long-term care strategy and the end-of-life strategy will all help to address the paucity of qualified support and care for sufferers of what is now almost a ubiquitous disease. However, we need to increase the pace of reform before local services become overwhelmed by the number of people needing the specific form of care and treatment required by dementia sufferers. We need to go more than the extra mile. In a vivid comparison, the hon. Member for Castle Point (Bob Spink) suggested that the amount of money going into research was the equivalent of building one mile of motorway. On that basis, we need to go several miles along the motorway.

There are four things that I would say to the Minister. Four words characterise the concern of those in this place who interest themselves in dementia. The first, of course, is resources—ring-fenced resources. The second is research. We must invest a great deal more in research. The third is training. I hope that the all-party group's report—I look to the chairman to say when it might be published, but it cannot be long—will focus specifically on training. I hope that the Government will respond directly to its recommendations.

The fourth is inspection. On the birthday of the Care Quality Commission, we must ensure that there is an inspection regime not only for residential care, which of course is necessary, but for care in the domestic setting. Two thirds of people with dementia are being cared for, with personal support, in their homes or in other people's homes, rather than in residential care. That is where we see a really substantial gap. If we or a family member, perhaps a parent, were unfortunate enough to become one of the almost 1 million people with dementia, what would we expect? What would we want? We have to do a great deal more for those in the home setting. That was clear from the evidence given to the all-party group about two weeks ago.

Bob Spink: The hon. Gentleman has reached a particularly moving part of his speech. Will he mention the great love and dedication of the vast majority of those working in care homes who care for those with dementia? Many of them are unsung heroes.

David Taylor: They certainly are.

My final comment is this: although I have been critical about the quality of care and training, it is not intentional or deliberate cruelty. It is often unintentional neglect by untrained staff that causes problems for the 750,000 of our fellow citizens who are affected.

10.12 am

Mrs. Jacqui Lait (Beckenham) (Con): I congratulate my hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright) on his success in the ballot. He spoke of the broad sweep of the strategy, which is of concern to many. I also congratulate the hon. Member for North-West Leicestershire (David Taylor), who continued in that vein. However, I am about to break the trend, as my speech, which I hope will be brief, is very much rooted in the borough of Bromley, of which my constituency is part.

Bromley has the highest proportion of elderly people in any London borough. Although it is generally regarded as being a wealthy area, dealing with those who suffer with dementia represents a fairly big challenge—and, as many have said, this is an increasing number. We have an excellent voluntary sector: I am thinking of Mind, the Alzheimer's Society and the many other charities, which do superbly well in providing wonderful care, and so far as is possible, so do our health and social services. I suspect that, in common with many other areas, we have an increasingly large cohort of GPs approaching retirement age, but what makes Bromley slightly different is that we still have far too large a proportion of single-handed GPs.

Those who have spoken mentioned early diagnosis, and I absolutely agree. I understand that the strategy was that memory clinics should be provided in each area. There is controversy, a road down which I shall not go, about whether it is to be delivered by polyclinics—the polyclinics are the controversy. The view seems to be

emerging that it is the GPs' surgeries that should provide the memory clinics. With a high proportion of single-handed GPs coming up to retirement, I wonder precisely where the services for diagnosis and continuing general practice care will be based and how they will be funded. How are the primary care trust, the local authority and the voluntary and charitable sectors to be involved in providing the services that flow from those diagnoses?

Although I am focused on my constituency, I do not want to generalise from the particular. We have one large health facility in Beckenham, but that does not solve the problem of a potential lack of GP services for diagnosing Alzheimer's. I hope that the Minister can give us much more detail on how the memory clinics are to work, where the Government envisage them being based, who is to run them and how they are to be funded.

Unlike other Members, I am not entirely wedded to the idea of ring-fencing, as it could work against my constituents. As I said, my constituency has a higher proportion of older people than many others. I would therefore prefer to rely on quality appointments to the PCT to achieve properly managed health services. We already have properly qualified councillors—they are elected—but we need a PCT with a clear view of how it should be spending its money and we must be aware of the potential lack of diagnosis resulting from the structure of the GP service.

Jeremy Wright: My hon. Friend will have heard me say that I do not object to the principle of local authorities and PCTs having discretion on how to spend their money. My point was that if the Government suggest to the wider dementia population that £150 million can be spent on the national dementia strategy, that is what should happen. However, it may not be the reality.

Mrs. Lait: I could not agree more with my hon. Friend. If the Government are making promises about how much money they are prepared to provide for such services, they should stick to them. Yesterday—the day before the new schools budget came into effect—I had the ghastly experience of finding that my senior schools were losing 3.2 per cent. of their sixth-form budget. That is because the Learning and Skills Council is in such a mess, although that, however, shows the state of Government finances.

I am grateful and delighted that my hon. Friend agrees that we do not want PCTs to have ring-fenced budgets. If the Minister enlightened us on how he expects the demographic problems in the GP service to be addressed so that memory clinics may be provided, I would be most grateful.

10.18 am

Tim Farron (Westmorland and Lonsdale) (LD): It is a pleasure to serve under your chairmanship, Mr. Bercow, and I echo the words of the hon. Members for North-West Leicestershire (David Taylor) and for Rugby and Kenilworth (Jeremy Wright). I congratulate the hon. Member for Rugby and Kenilworth on securing the debate and on his work on the matter in recent times as chairman of the all-party group, of which I am a vice-chair.

I endorse what has been said. I shall not repeat the arguments already made on the broader dementia strategy, but focus on a particular element of dementia. It relates particularly to the care of people with dementia in the national health service. I shall centre my brief comments on my experience of the problem in south lakeland and the Morecambe bay health area.

The reality, as we have heard, is that the majority of people who live with dementia are cared for and supported in their own homes. Many others are supported within an institutional context only so far as they live in residential or nursing homes. Hospitals are not the right places to care for people with dementia. In recent times, health trusts across the country have been closing down dementia wards and moving that care into the community. That is laudable, up to a point.

I am worried that the baby has been thrown out with the bath water. Hospital wards have closed, but, in my area at least, commensurate care in the community has not replaced it. Ward 2 at Westmorland general hospital was closed about 18 months ago on the promise that the Cumbria mental health partnership trust would provide significantly increased support in the community for people living with dementia. That care was to be provided in collaboration with, in particular, the Alzheimer's Society in south lakeland and the local branch of Age Concern.

A good year after the closure of ward 2, I, and the chief executives of the local branches of the Alzheimer's Society and Age Concern, met with the chief executive of the mental health partnership and extracted the admission that the trust had not kept its promise to provide that care in the community. Essentially, it had dumped people out there without the support that they desperately needed.

It has taken so long to put this strategy in place and to deal with mental health issues in general, partly because mental health is such a taboo. It is not talked about because it is unglamorous, and we allow those who make decisions about our health service and the care of people with dementia to relegate these issues down the list of priorities. That is not acceptable. However, when ward 2 was threatened with closure and when another ward for adult mental health non-dementia sufferers was temporarily closed, 4,000 people took to the streets of Kendal to protest, so I am extremely proud of my communities, because the majority of people will not personally have been touched by mental health conditions.

There is growing awareness that mental health is not a taboo and should not be written off. We need to prioritise the care of people with such conditions, especially dementia. We must not see care in family homes as a cheap option, nor simply pass responsibility to the care home sector. As we have heard, the caring profession is held in low esteem and suffers from massive staff turnover. Care homes are run by dedicated people, supported by wonderful staff, but often they lack the necessary qualifications. The experience, therefore, of people with dementia cared for in homes can be shockingly poor—let us be perfectly honest.

We cannot overlook the reality that people with dementia will enter hospital for reasons other than their dementia. At Westmorland general hospital, one third of patients in the Langdale unit and other medical wards have dementia but are there for other reasons, whether strokes or other cardiovascular and medical

[Tim Farron]

conditions. They therefore need not only treatment for their medical condition, but specialist care. That is a great problem.

Nurses on the Langdale unit—they are wonderful but are experts in other fields—have to spend all their time caring for people with dementia, so they cannot give their time to those who do not have that condition. At the same time, however, those with dementia are not receiving the necessary expert care. Next door are two mothballed wards, one of which could, and should, be opened to provide medical care for people with dementia—not to allow them to bed-block, or to allow it to become a new, institutionalised provision, but to ensure that those who have dementia but are in hospital for other reasons are properly supported.

In enacting the national dementia strategy, I call on my NHS trusts to provide that necessary support locally, and more broadly on the Government to put the care of people with dementia at the top of the agenda. They must make training and the provision of expertise paramount and ensure that the overriding focus is on the quality of the experience of people living with dementia and their families and carers.

10.25 pm

Greg Mulholland (Leeds, North-West) (LD): It is a pleasure to serve under your chairmanship, Mr. Bercow. I echo hon. Members in congratulating the hon. Member for Rugby and Kenilworth (Jeremy Wright) on securing this debate and pay tribute to him for his work and the leadership that he shows in the House through his chairmanship of the very successful all-party group on dementia. It is an example of how we can work together across all parties and have an impact in pushing an important issue further up the agenda.

I am proud to be a member of the all-party group, but I pay tribute to those who have been members for longer, including my hon. Friend the Member for Westmorland and Lonsdale (Tim Farron) and the hon. Member for North-West Leicestershire (David Taylor). They play a full part in the work being done.

The debate is important, particularly given the attempts already described to secure a debate in Government time on the Floor of the House. I echo the disappointment expressed that we did not get that debate, but it is perhaps fortuitous that we have secured this one now—the Leader of the House first said that we might have a topical debate, then that we might have a Westminster Hall debate, so goodness knows what the answer would have been if we had asked again. It is a relief, therefore, to have the debate today.

Our debate is timely because, I think, the first board meeting of the national dementia strategy programme took place yesterday. If so, I would be interested to hear from the Minister how it went. All of us here today, and other colleagues who would have liked to join us, are committed to, interested in and passionate about this area of health care—I include the hon. Member for Guildford (Anne Milton) and the Minister in that.

I, and my party, warmly welcome the national dementia strategy, which is clearly a huge step forward, as I have made clear before, and its importance to people and their families has been well put by hon. Members. However, we—this includes the Treasury and the taxpayer—also have to take seriously the cost of dementia care, which is estimated to rise to more than £23 billion by 2018. One in three over-65s, whom we classify as "older people", dies with dementia, and I am sure we all agree that this set of distressing conditions has not been the focus of attention that it should have been.

Of real concern—this echoes comments about the need for early diagnosis—are estimates that two thirds of people with dementia are undiagnosed, so the problem is far greater than the figures suggest.

I shall pick up on a few points that were made so well by the hon. Members for Rugby and Kenilworth and for North-West Leicestershire. It is great that we have this strategy, but the crucial questions now are about how it is implemented and its effect. Although it is right to incentivise the Department of Health, and the NHS more broadly, particularly through primary care trusts, it is important to push for local area agreements, so that we can see what the national dementia strategy means for localities.

The hon. Members for Beckenham (Mrs. Lait) and for Rugby and Kenilworth made welcome contributions on how the strategy will affect their local areas. It is important for every area to take ownership of the strategy, and I would welcome hearing the Minister's views on the matter. Moreover, I urge him to say when we will finally get a review on anti-psychotic drugs. Concern has been expressed on that enormously important subject.

Today, the new inspection regime begins, and we all hope it will lead to a better inspection framework with a focus on care wherever it happens. At times, we have been let down by failures in the inspection regime. Such failures were highlighted last week in a debate on the situation in our care homes.

Improving awareness of the condition is, quite rightly, an important part of the strategy, but it does not yet have enough flesh on the bones. None the less, the £4.5 million investment is welcome. Will the Minister tell us how, as the strategy unfolds, such money will be used and targeted to raise awareness?

Let me turn to the important area of training for care home staff and GPs. It is worrying that GPs still say that they are not sufficiently trained to diagnose dementia or suggest pathways of care. Clearly, that must be tackled. Again, I echo the comments of other hon. Members that, although we must allow local areas to show initiative and take ownership of the strategy, we need a national framework and a truly national strategy for training, so that we can be confident that all staff who deal with dementia sufferers are properly trained.

The other issue that has been eloquently covered in the debate is funding and the £150 million that the Government have found for the strategy. Again, I echo the concern that this money, welcomed as it is by all the relevant organisations and all the parties, will not be enough to deliver the strategy for the full five years. Going back to an earlier contribution, I believe that we must ring-fence the money. I echo the comments made by the hon. Member for Beckenham that we do not want to dictate how money is spent, but that money must be spent on dementia care and services in each area. That is fundamental.

As for accountability, what will be in place to ensure that the Minister and his colleagues can come back here and tell us that the PCTs are spending the money on services? We will not tell them how to spend the money, but we need to know that they are spending it on dementia care and services. We must have that accountability and know that the money is going through to local areas and being spent on exactly what we have been promised.

My final point is negative and an issue that I raised recently with the Minister on the Floor of the House. What is in the strategy is generally excellent and a positive step forward, but the issue is what is not there, by which I mean research funding. The Government invest eight times less in dementia research than in cancer research. I am not for one minute saying that less money should be spent on cancer, but such figures mean that we spend £289 on every cancer patient in the country and only £11 on every Alzheimer sufferer. We must face up to the reality of the problem.

Professor Simon Lovestone, from the Institute of Psychiatry at King's college London, said:

"In the next five or 10 years there is a good chance of having treatments that slow down the rate of progression of Alzheimer's disease."

That is excellent news, but he goes on to say:

"If it fails, we are heading for the most unmitigated disaster. We need these drugs to work".

Rebecca Wood, chief executive of the Alzheimer's Research Trust, has warned that if we do not have more funding now, the economic consequences will be dire. The simple reality is that the lack of funding for research means that the impact of this excellent strategy will be limited.

I hope that the summit on research funding happens soon and that the Minister can tell us when that will be. We must have a commitment to more funding now for this complex set of conditions if the strategy is to have the impact that we all want it to have. I ask him to give us some good news today. Then we will be able to feel that the strategy will have a huge impact over the next few years.

10.36 am

Anne Milton (Guildford) (Con): I congratulate my hon. Friend the Member for Rugby and Kenilworth (Jeremy Wright) on not only securing this important debate but the fantastic work that he has done with the all-party parliamentary group. Many of us come here to make a difference, and there is no doubt that he will have made a difference for dementia sufferers and their families, friends and carers.

I share my hon. Friend's disappointment that the Government have not allowed time for such an important and significant issue. None the less, I, too, welcome the strategy. I want to pay tribute to high-profile people such as Terry Pratchett, who have a much greater impact, possibly than they ever imagined, on highlighting some of the issues related to dementia. I also pay tribute to all the families and carers around the country who save the Government, as I am sure the Minister is aware, literally millions of pounds in delivering care to people with dementia. They are unsung heroes. As has already been pointed out, they are often older themselves and have to care for sufferers in very difficult circumstances, often without support.

The hon. Member for North-West Leicestershire (David Taylor) made a very moving speech about care and caring. I pay tribute to my own branch of the Alzheimer's Society in Guildford and all the other voluntary bodies which give support, care and money. There are more than 100 different forms of dementia, with Alzheimer's being the most common, accounting for just over a half of all cases. A significant minority of people suffer from vascular dementia.

One person every three minutes is diagnosed with dementia. It is a life-shortening illness with an unpredictable life expectancy. The disease can progress for up to 10 years, with an average of around six years, which places a burden on families who often have no idea of the course that the disease will take. Although one in three people over 65 will die with dementia, the UK is in the bottom third of Europe for dementia care. A third will need institutional care; yet if we consider it the other way around, two-thirds of people in care homes have, or will have, some form of dementia. The hon. Member for Pudsey (Mr. Truswell) raised the issue of younger people with dementia. Although we tend to concentrate on the over-65s, it is important to note that 18,000 people under the age of 65 have dementia in the UK.

My hon. Friend mentioned anti-psychotic drugs. As the Minister is aware, that issue has been rumbling on for some time. The all-party parliamentary group produced an important report on the matter and highlighted some of the issues. Research shows that such drugs double the risk of mortality and treble the risk of stroke. It is disappointing that the Government have dropped their investigation into the use of antipsychotics, which it promised to publish alongside the national dementia strategy. I would be grateful if he clarified the situation and tell us exactly when it will be published. Spring is here—we are in British summer time—and my daffodils are out, so if he says "spring" again, I shall get very angry. What does he mean by "spring"? Are we actually talking about summer?

Up to 400 care homes for the elderly and mentally infirm have closed in the past four years, as was mentioned. There is therefore a concern not only about the provision of places for those who need them, but for the provision of places in locations where people can be visited by family and friends. The hon. Member for North-West Leicestershire mentioned the crucial issue of carers. Carers themselves need care and, often, temporary respite care can be a vital lifeline to ensure that they can continue to care.

We have not talked much about drugs, in particular for the early stages of dementia. I pay tribute to the many people who have campaigned on the issue. My party and I believe that it is only right that the National Institute for Health and Clinical Excellence reflects wider societal costs when it makes judgments about new drugs. Again, that could transform outcomes for people in those early stages.

The swan-song of the Healthcare Commission was a report into older people and mental health. Although it welcomed much of the practice in the country, the report showed that older people were often unable to access the full range of services, including out-of-hours and crisis services and psychological therapies. Those crisis services can be crucial, especially given that those caring for dementia sufferers are often older people.

[Anne Milton]

The report showed that older people are often prevented from accessing care because of stretched services or a lack of age-appropriate care and talked about the fact that the number of over-65s is set to increase by 15 per cent. by 2019 and that the number of people with dementia is set to rise by more than 1 million by 2025, as has been said. It also highlighted the importance of making services for those groups accessible and robust enough to cope with those statistics.

The report is lengthy, but it highlights other important issues. It says that the integration of health and social care is very patchy. In no other area is it more important for those to be integrated, yet we still see people working in silos and being protective of their budgets, unwilling to pool them and their resources. The report states:

"Where health and social care services were integrated at both team level and management level, it was more likely that services offered a higher standard of care and a greater range of services...Carers in less integrated services said they could often spend a large amount of time and energy trying to find out who they needed to go to for what problem."

We hear that common theme all the time from carers.

Carers were also concerned about the closure of some services. It is slightly odd and ironic that we have the strategy, but still hear reports about the closure of services and support care for people who are at home. Some trusts did not provide day services. In my own patch, in Cranleigh, the day hospital has closed. It was an important lifeline for family and friends. The report states:

"Carers said some staff in general wards at acute hospitals were not being trained or were not equipped to deal with patients with mental health problems, especially dementia",

and training has been mentioned in the debate.

I should like to pick up on a few of the other issues raised by my hon. Friend. He said that diagnosis is crucial and that the remainder of the strategy is utterly useless unless a diagnosis is made. The hon. Member for Leeds, North-West (Greg Mulholland) said that something like only 40 per cent. of people with dementia have been diagnosed, so 60 per cent. of people with the condition are without a diagnosis.

As someone who has worked in the health service, I find it appalling that training needs are so great. A recent report and investigation into the care of people with learning disabilities said that staff needed training to make them more fully aware. Not only do I find it extraordinary that there is such a big gap in people's knowledge, but I am surprised that general practitioners cannot recognise or do not look for dementia when it is clearly such a common problem. We need to ensure that staff at all levels, not only GPs, access the right training and that they are aware of looking out for those sorts of problems.

My hon. Friend the Member for Beckenham (Mrs. Lait) talked about services in Bromley and single-handed practices. Much of what she said was connected to training needs and ensuring that care can be delivered in the right settings. The hon. Member for Westmorland and Lonsdale (Tim Farron) talked specifically about care for people with mental health problems.

The Department of Health website states:

"The National Dementia Strategy is backed by £150 million over the first two years. It will increase awareness of dementia, ensure early diagnosis and intervention and radically improve the quality of care that people with the condition receive."

Of course, like everybody else, I hope that those aspirations will be fulfilled. However, not only does the quality of care need to be improved, but the quantity needs to be increased, not only for those with dementia, but for their carers and families. We need early diagnosis and intervention, and appropriate treatment, care and support for families and carers. I could apply all those things to a range of other mental health issues. However, we need some detail from the Government, which I hope the Minister will provide.

The hon. Member for Castle Point (Bob Spink) was the first to mention research. He said that £11 is spent on research for every Alzheimer's patient, and £289 on research for every cancer patient. It is a difficult situation: one does not want cancer research to have less money, but we need reassurance that the Minister is aware of what I call disease and illness-related discrimination in the allocation of services and resources. Alzheimer's and related diseases have a difficult time levering in money. Will the Minister reassure us that there will be an even-handed and non-discriminatory approach to dementia research and care, and clarify the research money situation? I would not like him to miss the opportunity to make an announcement, should he wish to do so.

Will the Minister also clarify where the £150 million will come from and whether that is new and additional money for primary care trusts? Does he intend to monitor PCTs so that the Government's headlines on the strategy are assessed by future performance? The Government are right to be proud of their strategy, and they have had quite a lot of good press coverage for it, but I do not want to ask a parliamentary question in a few months' time only for them to reply that the information that I want is not held centrally. They need to publish performance statistics and say what PCTs are doing.

Does the Minister anticipate any money to spend on specialist dementia nurses? They often play a very significant and, if I may say, cost-effective role in care. Do the Government have any plans for additional money? Is he going to increase the number of specialist nurses?

John Bercow (in the Chair): Order. May I just say to the hon. Lady that there are quite a lot of questions for the Minister to answer, and it is now more than time for him to do so? I am sure that she is bringing her remarks to a close.

Anne Milton: Thank you, Mr. Bercow; I will bring my remarks to a close.

This is not an unfamiliar feeling in this place: we have a warm welcome for the Government's words, but strategies on care and summits on research do not always make a difference on the ground. The anticipation and frustration that people felt when they were waiting for the strategy turned to a warm welcome when the words and commitment finally came. However, the Minister should not underestimate how quickly that will turn to anger and disillusionment if action is not taken and if my questions are not answered.

10.49 am

The Minister of State, Department of Health (Phil Hope): I am pleased to reply to this debate under your excellent guidance, Mr. Bercow. I know of your personal interest in such matters. I congratulate the hon. Member for Rugby and Kenilworth (Jeremy Wright) on securing the debate. He plays an important role in increasing our understanding of dementia through his chairmanship of the all-party group on dementia. I wish to place on record my thanks and congratulations to him for his efforts.

Interventions and contributions have been knowledgeable and passionate. People have referred to constituency cases and discussed their family experiences. My hon. Friend the Member for North-West Leicestershire (David Taylor) in particular highlighted the needs and responsibilities of those who care for people with dementia. As well as implementing the carers strategy discussed in the dementia strategy, providing extra resources for respite care and so on, we have a specific objective to develop peer support and learning networks for those caring for people with dementia. From my experience in my constituency, I know how highly people caring for people with dementia value the ability to share their experiences with each other and get support.

It is clearly unacceptable that many people with dementia do not receive the care and support that they need. However, that is not the case everywhere. Some people with dementia receive excellent support from dedicated health and social care teams that provide high-quality services, such as the Croydon Memory Service. It is not exactly year zero. Our policy dates back to 2001 and the older people's national service framework, which was built on by the "Everybody's Business" service guide, the "Let's Respect" campaign and the driving up of various standards in commissioning by new guidelines on dementia from the National Institute for Health and Clinical Excellence and the Social Care Institute for Excellence.

However, the national dementia strategy was published because there was clearly a need to take a huge leap forward. I am grateful to hon. Members who have acknowledged that the new strategy will do exactly that with an initial two years' funding of £150 million. It will require services to transcend existing boundaries between health and social care—this is the point made by the hon. Member for Guildford (Anne Milton)—and between service providers and people with dementia and their carers.

Questions were asked about funding levels. It might be helpful to remind the House that the national health service and local authorities in England invested at least £1.8 billion in older people's mental health services in 2006-07, that the direct costs of dementia to the NHS are about £3.3 billion a year and that the total investment by the NHS in England in all adult mental health services rose from £3.1 billion in 2001-02 to £5.5 billion in 2007-08. I will make this point only once: Conservative Members who have been talking about providing more money for dementia—something that we are doing and that I support—might like to speak to the Leader of the Opposition, who has made it clear that he wants to cut £5 billion from public spending over the next two years. That will make investment in dementia by their party a little hard to achieve.

Jeremy Wright: Will the Minister give way?

Phil Hope: If I give way, I will not be able to answer some of the hon. Gentleman's questions, so he will forgive me if I do not.

The process of developing our strategy was not confined to professionals. The voices of people with dementia and their carers were critical to its development. I want to put on record my gratitude to the many people and organisations that contributed, not least Neil Hunt, chief executive of the Alzheimer's Society, who chaired the strategy's external reference group. His work was central to the delivery of the strategy. We had a board meeting yesterday, as the hon. Member for Leeds, North-West (Greg Mulholland) suggested, to begin the process, with people from the organisations helping us drive delivery forward.

On the question of memory clinics and Bromley raised by the hon. Member for Beckenham (Mrs. Lait), I cannot specifically say what the people and commissioners in Beckenham and Bromley should do, but I encourage her to draw their attention to the analysis in the strategy, which says:

"With a disorder as common as dementia it is tempting to assume that this should be completed by primary care. However, this is in effect the status quo which has delivered the low levels of activity that we have summarised above...the primary care role should be that of identifying those with worrisome symptoms that might mean that their patient has dementia, excluding any other explanatory disorder, and referring on to a specialist service for that individual to receive a definitive diagnosis, not only of dementia, but also of the sub-type of dementia."

She might want to draw that guidance to the attention of her primary care trust if it is going down a route that does not appear to reflect the analysis that a GP's role is to identify early symptoms and refer people on to specialist services.

Mrs. Lait *rose—*

Phil Hope: I will not give way, because I need to cover one or two other points.

To respond to the point made by the hon. Member for Westmorland and Lonsdale (Tim Farron), I stress that one of the strategy's key objectives is for care homes and hospitals to identify a senior staff member to lead on dementia care and drive improvements in the quality of care in those institutions. We will issue guidance on best practice in dementia care to care homes in the coming year, but they need to start gearing up now for the challenges set out in the strategy.

We want those senior staff to develop their plans for the management and care of people with dementia in every care home and hospital. They need to be able to commission specialist in-reach services from older people's community mental health teams, and they should be responsible for ensuring that all staff caring for people with dementia receive appropriate training and guidance. I know that the all-party group is considering the issue. We look forward to seeing its findings in due course.

There are good examples of local training in dementia across the country, notably in some care homes, but we must ensure that everyone who works with people who have dementia has the right skills and knowledge. We will therefore work with the royal colleges and professional bodies, as well as with the sector skills councils, Skills

[Phil Hope]

for Health and Skills for Care and other training bodies, to address that need and ensure that appropriate changes are made to vocational, undergraduate and postgraduate curricula where needed.

I understand the concerns expressed about research. We have a long history of significant investment in dementia research. In 2007-08, for example, the Department of Health and the Medical Research Council spent £32 million on research into dementia and related neurological conditions. Within our current health research strategy, we have expanded the Department's research programme. Dementia research will benefit as a result.

We plan to spend some £20 million over the next five years on a dementia and neurodegenerative disease research network modelled on the highly successful cancer research network. Dementia was also a priority of the first round of the National Institute for Health Research scheme of programme grants for applied research. As a result, the NIHR has awarded grants worth almost £6.5 million. Last October, the MRC and the Wellcome Trust announced a new £30 million fund to boost research into neurodegenerative diseases. We will also be holding a research summit on dementia during the summer that will include a wide range of experts in dementia research covering prevention, cause, care and cure—I am having to hasten along, Mr. Bercow, as time is not on my side.

The review of the prescribing of anti-psychotic drugs for people with dementia remains a priority for the Department. Unfortunately, research into the issue could not be completed within the original time scale because of the work that we were putting into the strategy. However, we must get it right, and we want to get it right first time. I am pleased to be able to tell the House that the antipsychotics review will be completed shortly: that is, in May this year—I think that May counts as spring, by the way. We have taken evidence from a wide range of stakeholders, and we are currently conducting a literature review. The chairman of the all-party group met Professor Sube Banerjee and officials from the Department a few weeks ago as part of our consultation.

I have not been able to answer all the questions in the time available, but in conclusion, we are driving matters forward at national, regional and local levels. I want the strategy to be implemented at a local level. I hope that I have demonstrated that we are firmly committed to improving dementia services. We cannot afford to fail. I am fully confident that the objectives outlined in our strategy and our programme to support the implementation of that strategy over the next five years will deliver the high-quality dementia services that we all wish to see.

Photography (Public Places)

11 am

Mr. John Randall (Uxbridge) (Con): I am grateful for the opportunity, given by Mr. Speaker, to raise this important issue. This is the first time that I have seen you in the Chair in this Chamber, Mr. Bercow, and it is a great but slightly overdue honour to sit under your chairmanship. I see that the Minister is now in his place.

For me, this is a difficult subject in many respects, because I have sympathy with both sides of the argument, as I shall discuss, but first, let me give the Minister some background. As a student, I spent a lot of time in eastern Europe, where much photography anywhere near anything considered strategic was not only frowned upon, but policed rigorously. I am also a keen birdwatcher, as some hon. Members will know, so I am not unaware of the problems of going into sensitive areas armed with optical equipment of various sorts.

Some important issues have come to the fore lately, and there are three main threads that I want to address, the first of which is the taking of photographs in public places by amateurs, which initially drew the matter to my attention. Many of the arguments that I shall make on that point, and many of those against it, have been changed by the recent advent of Google Street View, which is the second issue. I hope that I have enough time to address the final issue, which is the journalistic angle on taking photographs in public places.

Let me now discuss amateur photographers going out and about in our public places and taking photographs. Many colleagues have come to me since I secured the debate to tell me about incidents similar to the one I shall describe, and I have several examples from my constituency. Last summer, a well-known local business man, Mr. Alberto Wusche, who has a thriving business on Windsor street in Uxbridge, took photographs of properties that he thought were in bad repair, which he wanted to pass on to the council. He had not noticed, but in front of one of those buildings was a police car containing police community support officers, who had parked on a double yellow line as they popped into a sandwich bar to get a no-doubt well-earned sandwich. It appears that they thought the photograph was going to be used in evidence against them for parking on a double yellow line.

Parking in Windsor street has always been a hot issue and has perplexed me for many a year while I have been here. One of the PCSOs went over to Mr. Wusche—he probably will not mind me telling the Chamber that he is in his 70s and has been a model citizen all his life, having fled fascist Italy—and told him that he must immediately delete the photographs. When Mr. Wusche asked why, he was handed a notice and pretty much cautioned. That upset him a great deal, and I understand why.

Another incident involved Mr. Lee, who has just come out of the RAF. He was stopped taking photographs outside the Chimes shopping centre by another PCSO, who ran a police check over the radio and handed Mr. Lee a leaflet on terrorism. Mr. Lee said:

> "I have just come out of the Royal Air Force after serving 19 years and to be questioned in public for doing nothing wrong left me extremely upset."

I think we would all be upset by such a thing.

When I started looking into the matter, a number of incidents were related to me. My son told me that a year or so ago, when he was still at school, a fellow pupil was questioned for taking photographs at Moor Park underground station for his art project, and his school was called to get his bona fides. I found another case on the internet of a young lad called Fabian Sabbara, who was stopped when taking photographs—in his school uniform—for a school project.

Mr. Andrew Pelling (Croydon, Central) (Ind): May I add to the hon. Gentleman's list of incidents? I was stopped and searched on suspicion of terrorism for taking pictures of roadworks near East Croydon station, as he will probably be aware, and I showed my identification as a Member of Parliament. It would be a particularly audacious terrorist who disguised himself as a Member of Parliament, given that there are a limited number of them and they can be easily identified. Is not this ultimately a waste of police time when they should be concentrating on other issues?

Mr. Randall: As a Whip, I am tempted to say that I am suspicious of all fellow MPs, but seriously, I find it concerning that such action was taken against the hon. Gentleman. We had bombs in Uxbridge during the IRA problems, as well as a variety of terrorist incidents, so I am acutely aware of the potential for terrorism, particularly in shopping centres such as the Chimes shopping centre in my constituency. We have to look out for such things, but common sense seems to have escaped police officers—or, very often, PCSOs—in some of the cases that have been mentioned.

Hugh Bayley (City of York) (Lab): I congratulate the hon. Gentleman on provoking the debate and I am alarmed to hear of someone being stopped for taking pictures in a tube station. I seem to have had a lucky escape, because I had intended to submit a photograph of a billboard in a tube station to a parliamentary photographic competition. I strongly agree that the ability to document what happens in this country through writing and photography is a fundamental civil liberty. Does he agree that countries that impose restrictions on that freedom show that they do not share the democratic values that are so important to this country?

Mr. Randall: That is exactly the point that I have been trying to make. I am not surprised that the hon. Gentleman, with his surname, has been involved in the all-party group on photography.

I recognise that there is a serious terrorist threat, and that point leads me to Street View. The argument has been made that underground stations and other transport locations could be targets for terrorism and that anyone taking photographs of such places might be doing so to find out where the entrance is and what is around it, and is therefore suspicious. However, I have been on Street View, and have been able to look at all the underground stations in my constituency and find where all the CCTV cameras are. I was even able to go to RAF Uxbridge, where there was a bomb incident many years ago, and along the A40 to RAF Northolt to look over the fence, all using Google Street View, because the cameras are on stalks. The argument that photographers might threaten our security, or that the police have to be so alert to the issue, has been diminished by the advent of Street View.

I did not mean to discuss Street View so much, but many people, including colleagues, have contacted me about it since I secured the debate. I am not sure whether Members will yet have had time to purchase today's *Uxbridge Gazette*, but there is an article on page 9 entitled, "Mind my privacy", about Mrs. Rita Blake, aged 72, of Widmore road, Hillingdon. She says that there is an image of her wobbling up the road and she does not like it. There have been several other such incidents just in my constituency. It is fun to look at Street View, but from a security point of view—I am talking not about terrorism, but about burglary and all sorts of other incidents—what representations have the Government made to the provider to see what can be done? Frankly, I find the matter very concerning.

When I hear the argument that people taking photographs are potential terrorists, I am reminded that all hon. Members have probably left though Carriage Gates and had to wait for the public to finish taking their photographs of what I suspect is one of the prime terrorist targets in the country. With the technological advances in digital photography, a camera that does not look complex can pick up incredible detail that can then be downloaded on to a computer. Carriage Gates is, of course, one of the more vulnerable entrances to the House. I do not see how the issue can be divided two ways.

I would also like to mention a point raised by some good friends of mine who are journalists. They say that the police are increasingly using powers under section 76 of the Counter-Terrorism Act 2008 and section 58(1)(a) of the Terrorism Act 2000 against bona fide journalists. That is rather worrying. I think it is well known in the House that I am not a supporter of a third runway at Heathrow and that I attend many demonstrations against it held by the public. At such demonstrations, I have increasingly noticed the police taking photographs of ordinary residents and that our bread-and-butter constituents are having their photographs taken. I understand that there might be one or two anarchists who infiltrate such demonstrations, but it is worrying that huge swaths of our fellow citizens are photographed just because they are doing something that seems to involve demonstrating against the state.

I have put my name to various amendments and a private Member's Bill on the control of paedophilia, but a further issue that has been raised with me is the fact that there seems to be an incredible hysteria about taking any photographs that might contain a child. My daughter is a keen rugby player—she is only 13 and her mother hopes that she will learn to do something a bit more sensible, but she is my daughter so, unfortunately, the chances of her growing up to do something sensible are limited. I feel that I cannot even take a camera to a game of girls' or boys' rugby without being looked at in a strange way. At best, I might end up in a diary column; at worst, I might end up appearing in front of the local magistrate having to explain why I was taking a photograph of young children. The situation is getting to the point of hysteria.

There are various strands to the issue and I appreciate that the Minister might not have enough time to deal with all them. We should all be interested in the subject.

[Mr. Randall]

The police force and, certainly, PCSOs should have some sort of code. I noticed that, in the last Session of Parliament, the hon. Member for Great Grimsby (Mr. Mitchell) tabled early-day motion 1155 on photography in public areas. He asked for a photography code for the information of officers to be issued by the Home Office and the Association of Chief Police Officers. That is right; officers should be told what is likely to cause a problem. I believe that that should be the case not only because I am a libertarian and I think that we should have those rights, but because the terrorism legislation introduced by the Government is brought slightly into disrepute if it is used for the wrong purposes.

We agreed to emergency legislation being pushed through the House because of the threat of terrorism and because we know that such legislation is important. However, when the legislation was being considered, we raised concerns and were told, "No, it won't be used in that way. This is just for use in extremis." We then find that somebody has been stopped reading out the names of the war dead in front of the cenotaph in Whitehall, and that somebody has been cautioned under terrorism legislation for taking a photograph of a police car on double yellow lines. I am afraid that that will make people think that the laws we pass have not been scrutinised properly and that those laws might even be brought into disrepute.

I understand that there is a fine balance to be struck between allowing people the right to take photographs and dealing with the other issues that we must consider. As MPs, we know full well that photographers might take pictures of us when we are carrying out our various activities in our constituencies—only when they find out that such pictures are mundane and boring do they delete them—but there is a right for people to take photographs and we must ensure that it is not subsumed by hysteria and a state that has become too keen on surveillance. At the same time, however, we should be worried about the advent of Street View and concerned that something even more intrusive might follow.

I shall finish now and listen to the Minister's wise words.

11.16 am

The Parliamentary Under-Secretary of State for the Home Department (Mr. Shahid Malik): It is a pleasure to be engaging in this debate under your stewardship, Mr. Bercow. You are my favourite Conservative MP, which might not help you in the coming years. None the less, it is on the record. I congratulate the hon. Member for Uxbridge (Mr. Randall) on securing this debate on an important topic that has recently attracted considerable interest. I have listened carefully to the points raised and shall try to deal with the main issues.

Let me start by saying that our counter-terrorism laws are not designed or intended to stop people taking photographs. That is simply not their aim. People have the right to take photographs in public places for legitimate reasons and we will do everything we can to uphold that right. The hon. Gentleman rightly talked about the threat of terrorism, as all hon. Members have done in the debate. After the Good Friday agreement was reached, I was a commissioner to the Equality Commission for Northern Ireland for three years. Also, my constituency housed the lead 7/7 bomber and, more recently, the youngest convicted terrorist in the country. Therefore, I know full well the threat that exists. However, to be blunt, none of the issues that the hon. Gentleman mentioned in his interesting and useful contribution seem to be a threat to this country in any shape or form. I will go through that in my speech.

I accept that there are concerns about how some of our laws are being, or might be, applied. There are two separate issues and I would like to deal with each in turn. First, concerns have been expressed about the stop-and-search powers used under section 44 of the Terrorism Act 2000. As hon. Members will know, section 44 enables the police to stop and search anyone within an authorised area for the purposes of searching for articles of a kind that could be used in connection with terrorism. The powers do not require a reasonable suspicion that such articles exist. That is a useful power, but it is also wide-ranging, and concerns have been expressed that the power is being used to stop people taking photographs—whether of buildings or of people—within authorised areas. There are also concerns that cameras are being confiscated as part of such searches. Those are genuine concerns that people have raised.

I would like to make it clear that section 44 does not prohibit the taking of photographs. In November last year, the National Police Improvement Agency issued revised guidance on the use of section 44 that made it clear that the power does not stop the taking of photographs in an authorised area and that the police should not use those powers to prevent people from taking pictures. The police may stop and search someone who is taking photographs in an authorised area, just as they may stop and search any member of the public, but the powers should not be targeted on photographers.

Mr. Randall: I understand what the Minister is saying—the police and PCSOs do not have to give any reason for stopping and searching, whether the person has a camera or not. Does that mean, therefore, that there is random stop and search in such areas?

Mr. Malik: I made it clear that in the designated areas, the police and PCSOs—because their approach is not intelligence-led—have the right to stop and search people if they feel it necessary to do so. Parliament passed those laws many years ago.

My hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing has met with several MPs and with representatives of *Amateur Photographer* to discuss the issue. He has also written to Ken Jones, president of the Association of Chief Police Officers, to ask him what steps are being taken to ensure that the revised guidance is being cascaded to all police officers on the street.

Mr. Pelling: I appreciate that time is short. Before I was stopped and held to account for taking a photograph, seven people in my constituency had written to me expressing concern. One had been taking a picture of a cycle lane. Also, Danny Fitzpatrick, a photographer on the *Croydon Advertiser*, has been stopped repeatedly. Surely the power is being used without proper discrimination by the police service.

Mr. Malik: If hon. Members have examples that they want to pass to me, I am happy to look at them and pass them on to the police. I am setting out what ought to happen. Hon. Members are telling me about experiences of constituents that are contrary to what ought to have happened. As such, I am more than happy to look into them.

Hugh Bayley: If the police take a camera when they search someone and subsequently, having examined the images on it, satisfy themselves that no offence has been committed and that there was no mal-intent, do they always return the camera and the images on it to the person from whom they took them to investigate?

Mr. Malik: Common sense and justice say that that ought to be the case. Again, if my hon. Friend has information to the contrary, I would be happy to receive it. We are putting out guidance to ensure that the laws are implemented correctly and that people's liberties are not being infringed upon unnecessarily. That is crucial.

Mr. Randall: Will the Minister give way?

Mr. Malik: For the last time.

Mr. Randall: I am very grateful. I want to clear up one point. The Minister said that the offence applies in designated areas.

Mr. Malik: Yes.

Mr. Randall: Presumably, a shopping centre is a designated area, but Windsor street in Uxbridge is not a shopping centre. Can some police officer stop anybody, anywhere, even away from a designated area? Surely, common sense would apply if someone was taking a photograph in areas other than a designated area.

Mr. Malik: I am speaking about section 44 and designated areas. Let me continue with my response, which, I hope, will give Members satisfaction on other issues. If it does not, I may have just enough time left to respond to outstanding questions.

The second issue concerns the new offence in section 58A of the Terrorism Act 2000, which was inserted by section 76 of the Counter-Terrorism Act 2008. It makes it an offence to elicit, attempt to elicit, publish or communicate information about an individual who is or has been a constable, or a member of the armed forces or intelligences services. The information must be of a kind that is likely to be useful to a person committing or preparing acts of terrorism.

It has been suggested that the new offence could criminalise people taking or publishing photographs of police officers. A photograph of a police officer may fall within the scope of the offence, but would do so in only limited circumstances. The offence is designed to capture terrorist activity directed at members of the protected groups, which, sadly, we know occurs. An offence might be committed, therefore, if someone provides a person with information about the names, addresses or details of car registration numbers of persons in the protected groups. The important thing is that the photographs would have to be of a kind likely to provide practical assistance to terrorists, and the person taking or providing the photograph would have to have no reasonable excuse, such as responsible journalism, for taking it.

I can assure my hon. Friend the Member for City of York (Hugh Bayley)—York is a great city—that had he taken a photograph of a billboard in an underground station, he would have been on safe ground. I hope that the incident did not cost him the prize for being the best MP photographer in that year.

I want to be clear about this: the offence does not capture an innocent tourist taking a photograph of a police officer, or a journalist photographing police officers as part of his or her job. It does not criminalise the normal taking of photographs of the police. Police officers have the discretion to ask people not to take photographs for public safety or security reasons, but the taking of photographs in a public place is not subject to any rule or statute. There are no legal restrictions on photography in a public place, and there is no presumption of privacy for individuals in a public place.

My hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing has said that we will issue all police officers and forces with a circular on the new offence. It will set out the policy intentions behind the offence and make it clear that it does not criminalise legitimate photographic or journalistic activity. The circular will be discussed with interested parties before it is issued.

Designated areas may cover any area. They may, for example, cover a town or a borough. They must be approved by the Secretary of State, and, prior to that, by the Director of Public Prosecutions.

It is worth noting in this context the two important safeguards in the statute, which I just mentioned. It is also worth remembering why Parliament only recently agreed to create the new offence. The offence is aimed at protecting those who are on the front line of our efforts to tackle terrorism. Sadly, recent events in Northern Ireland have shown that members of the armed forces and the police continue to be targets for terrorists. We also judge that the police, the armed forces and the intelligence services are regarded as potential targets by extremists in the UK. The new offence is therefore important, and I would not want concerns about its potential application to photographers to overshadow that.

Although the offence came into force only on 16 February this year, a similar offence applied in Northern Ireland between 2001 and 2007. There was no attempt to prosecute journalists under the old offence in Northern Ireland, and we are not aware of any suggestions that the new offence has been used against people taking photographs.

On a separate issue, we have recently been made aware of the publication on the internet of detailed street images of the capital and other major UK cities. The hon. Member for Uxbridge raised the matter. It freely demonstrates that the ability to take photographs in a public place is not subject to any set of rules or to statute. There are no legal restrictions on photography in a public place except where the picture is taken with the intent of committing a crime or terrorist act.

I hope that I have provided some reassurance that we take the issue seriously and that we are doing all that we can to ensure that legislation is not misused against photographers, whether journalists, tourists or just

[Mr. Malik]

enthusiasts. I make it absolutely clear that, unless someone is engaged in criminal activity, they must be allowed to take photographs in public places and that the law should not be used to discourage or hamper that activity. I hope the hon. Gentleman accepts that the Government's intentions in this area are right and that we are working hard to ensure that the law does not have an unintended impact on photography.

The hon. Member for Croydon, Central (Mr. Pelling) spoke about a journalist in his constituency. Freedom of the press is a fundamental foundation of any democracy, and the idea that journalists are being blocked willy-nilly from engaging in their lawful activity is completely unacceptable. Anecdotally, there seems to be a disconnect between what the Government intended and what might be happening on the ground—

11.30 am

Sitting suspended.

Stafford Hospital

[Miss Anne Begg *in the Chair*]

2.30 pm

Mr. David Kidney (Stafford) (Lab): We are honoured to have you in the Chair as our watchful eye while we debate this very important subject for Stafford and its surrounding areas, Miss Begg. The hon. Member for South Staffordshire (Sir Patrick Cormack) asked me to say that he very much wanted to be here to take part in the debate, because many of his constituents look to Stafford hospital for treatment, but, as I speak, he is chairing the Select Committee on Northern Ireland Affairs in a meeting with the Secretary of State for Northern Ireland, so he is unable to attend. He wanted me to give his apologies.

The national health service told the people of Stafford and me that our hospital was good: the trust that managed the hospital told us constantly that the hospital was good, and the regulator told us that the hospital was good. Back in 2002, the regulator was the Commission for Health Improvement, and it said that in 2001 the hospital's rating was only one star and that it had weaknesses. In the following year, the rating went to two stars and, in 2003, to three stars. Intuitively, that looks like an improving performance year on year, but in 2003, the Commission for Healthcare Improvement ceased to exist and the Healthcare Commission took over—and in 2004 the rating crashed from three stars to zero stars. That was when the great big pile of papers before me, detailing the hospital's performance, started for the regulator and for Ministers.

I asked the regulator, "Is this hospital safe?", and in 2004, the Healthcare Commission's assurances were that the hospital was safe and had some good performances, even though it had some weaknesses, which were mostly to do with waiting times. In the years that followed, under the Healthcare Commission, the hospital's ratings appeared—again, intuitively—to improve year after year. In 2005-06, the rating was fair on quality, fair on resources. Fair means room for improvement. In 2006-07, it was fair on quality, good on resources; and in 2007-08, it was good on quality, good on resources. It looked like a hospital improving.

The commissioner of services from the hospital, the primary care trust, did not point out that anything was wrong; it went on commissioning services. The performance manager of the hospital, the strategic health authority, did not point out that anything was wrong; it went on performance-managing the hospital. Then the regulator of foundation trusts, Monitor, approved the trust's application for financial trust status just last year, after what it claimed had been a rigorous examination of the trust's leadership, management and governance arrangements. But all those different parts of the NHS told us wrong, and we have been left bewildered, furious and in no mood for anything other than the strongest and quickest action to repair the terrible damage that has been done. Patients who trusted the NHS as a friend and saviour were tragically failed and let down. The hospital's leadership, management and governance were not good. The hospital was not good.

We see now from the Healthcare Commission's report, following a year-long investigation, that many things were wrong at the hospital. Where the trust told us that

there were four accident and emergency consultants, one was at work, one was off sick and the other two were not consultants but a grade lower. The junior doctors who were supposed to call out consultants when they were not on duty never did call them out, and doctors were called away from very sick patients to treat patients with minor conditions. Apparently, at busy times, receptionists with no medical experience triaged patients in A and E, and—the comment that hit me like a physical blow—nurses turned off heart monitors because they did not understand how they worked.

The report says that the causes of that behaviour were bad management and understaffing, but all that time there were no whistleblowers, there was no strike action by staff and there was no calling in of royal colleges or other outside representatives; instead, it appears that hard-working, loyal doctors and nurses tried their best to make systems work that we now know were broken.

The important consideration is the patients and the situation's effect on them. They go into hospital because they are sick or injured, and they hope for good care and treatment—perhaps a cure—their health restored or, in some cases, their life saved. What did some patients, their relatives and carers get instead? Where there should have been speedy and effective treatment, there was delay, more pain than was necessary and what the report calls "poor outcomes", which in some tragic cases meant death. This is shocking, heart-breaking stuff.

David Taylor (North-West Leicestershire) (Lab/Co-op): Westminster Hall is full of MPs from Staffordshire, not unexpectedly, but John Moore-Robinson, the 20-year-old son of a constituent of mine, broke his ribs in a mountain biking accident and went to Stafford hospital's A and E department, which failed to detect that he had a ruptured spleen. He was discharged, despite being in pain and violently sick, and died not long afterwards, although he was not in the hospital at that time. Martin Yeates, the hospital's chief executive, wrote to John's parents after the inquest, saying that it was

"time to move on and put this behind you."

Will my hon. Friend reassure me, either himself or through the Minister, that those cases that will be individually examined will include those who were admitted originally and briefly to Stafford hospital but went elsewhere—back home to Leicestershire, in this tragic case—and subsequently died?

Mr. Kidney: I am really sorry to hear that story and hope that my hon. Friend will pass on the whole House's condolences to his constituents. I shall deal later with the offer that has been made for an independent review of case notes, but when I spoke to the trust's interim chairman, he said that it will extend to anybody who was treated in the hospital, because it will have records on them. My hon. Friend will be able to say to that family that if that is what they want, that is what they will get.

David Taylor: I should have said that the case occurred in April 2006, right in the middle of that period when the assessment showed that the hospital was fair on quality, good on use of resources.

Mr. Kidney: It is perfectly reasonable for the family to want such an investigation and assurance. If I can help my hon. Friend, he only needs to get in touch.

Where there should have been tender care for patients, professional consideration and good basic nursing standards, some patients suffered poor care, and they and their relatives and carers were distressed instead of calmed by their experiences in Stafford hospital. The commission's report endorses the complaints of nearly 100 patients who went to the investigating team and told them of instances of poor care that they had experienced, including in hospital wards 10, 11 and 12.

The commission's report also states that the investigating team suspects that there was an outbreak of clostridium difficile at the hospital in spring 2006, and that it should have been reported to the authorities but was not. It is worth bearing in mind that C. diff is a life-taking infection. The report was thorough, but questions continue to arise about what happened and why, and that is why I called for a public inquiry in my first letter to the Secretary of State for Health, when the report was published, and in the main Chamber a week last Monday.

Joan Walley (Stoke-on-Trent, North) (Lab): Given the genuine and widespread concern about the way in which the authorities have handled the matter, despite so many attempts by so many people to get answers about what happened, it is also my view that a public inquiry is really important. My hon. Friend has the backing of a large number of people who want him, as the Member dealing with constituency issues on this matter, to make that case as strongly as possible to the Secretary of State for Health and to the Minister who is here to respond to the debate.

Mr. Kidney: I am grateful to my hon. Friend for her support and hope that I do not let her down, either in this debate or afterwards. I want to look again at the argument, and ask the Minister to do the same, for the case for an independent inquiry.

Mr. Paul Truswell (Pudsey) (Lab): I congratulate my hon. Friend on securing a debate on such a crucial issue. Besides the invaluable service that he is performing on behalf of his constituents who are directly affected by the catastrophic events at Stafford hospital, does he also appreciate that patients around the country want reassurance that what happened there will not and cannot be repeated anywhere else?

Mr. Kidney: It is for other hon. Members to look at the situation in their local hospitals. Perhaps, like me, they have looked at the independent performance ratings from the Healthcare Commission and felt reassured. As I have explained, twice in the history of my representation of Stafford, what looked like reassuring performance ratings over a period of time turned out to be worthless. Hon. Members should consider the situation in their locality.

I welcome the Secretary of State's announcements two weeks ago in response to this damning report: the announcement about the independent review of case notes; the appointment of Professor George Alberti to conduct an immediate review; the further review by the National Quality Board about picking up on early warnings; and the report by Dr. David Colin-Thomé,

[Mr. Kidney]

the national clinical director of primary care, about not only the performance of this primary care trust and this strategic health authority, but the position of those kinds of organisations throughout the country. Finally, I welcome the Secretary of State's announcement about disciplinary action against the chief executive of the hospital trust. I want to mention each of those things in a bit more detail.

With regard to the independent review of case notes, for many people—the relatives of loved ones who died at Stafford hospital—deep wounds have been reopened. The Prime Minister was therefore right to be concerned, two weeks ago, about individuals in turmoil because of their bereavement who are now unsure, or more unsure than before, about whether the deaths could have been avoided. The Prime Minister assured me on that day, at Question Time, that anyone in this situation who asks for help will be entitled to an independent review of their loved one's case notes. What progress has been made in the last two weeks in setting up the arrangements for carrying out those reviews? Will the Minister accept the absolute urgency of starting them as soon as possible, involving relatives fully in them and completing them as quickly as can be? Does he know how many requests have been made so far? I am sure he can appreciate that this process will mean a lot to families, who want emotional closure after the devastating news of the last fortnight.

Mark Fisher (Stoke-on-Trent, Central) (Lab): I grateful to my hon. Friend for giving way, because I understand that he is under such pressure. Although I agree with my hon. Friend—and constituency neighbour—the Member for Stoke-on-Trent, North (Joan Walley) about an independent inquiry and the review of case notes, does my hon. Friend the Member for Stafford (Mr. Kidney) not feel that what he is describing is a collapse of the regulatory system? Regardless of getting a better understanding of what has happened in the past through an independent inquiry, if we are to reassure people about the future—not just in respect of Stafford hospital, but hospitals all over the west midlands and in the rest of the country—it is necessary to review the whole regulatory structure and reshape it to ensure that such things cannot happen again.

Mr. Kidney: My hon. Friend makes a good point. As it happens, today is the day when a new regulator takes the place of the Healthcare Commission. We must all look to the Minister to explain what is different today from the situation yesterday. I will come back to that subject when making my arguments about an inquiry.

When Professor Sir George Alberti's review was announced, the Health Secretary explained to the House that Professor Alberti is probably the country's leading authority on A and E care. There was some concern in my constituency, and in my mind, about whether that might be too narrow a focus in respect of this hospital's performance, given that the complaints and findings in the report went wider than A and E care. That is why I pressed for access to all areas at the hospital. I am pleased that everybody agreed to that. I saw Professor Alberti and he said that he was going to go anywhere that his investigation took him in the hospital. I asked the Health Secretary at Health questions last week to confirm that Professor Alberti would do that, and he said that he would. I also asked the NHS foundation trust regulator, Monitor, whether that would be so, and in a letter to me this week, Bill Moyes, the chairman of Monitor, said:

> "I have requested Professor Alberti to expand the remit of his review…I have specifically requested that his review also includes the care provided on the medical wards 10, 11 and 12".

That is an important concession by Mr. Moyes.

Mrs. Janet Dean (Burton) (Lab): I congratulate my hon. Friend on securing this debate. I know how desperately concerned he is, as the Member of Parliament for Stafford. He will know that most of my constituents are served by Queen's hospital in Burton, but some from the Uttoxeter area attend Stafford hospital for treatment and they are concerned about the failings at that hospital.

The information sent to hon. Members by the Royal College of Nursing says:

> "Nursing staff raised their concerns with the Trust both formally and informally. However, despite nursing staff completing numerous incident forms regarding the low staffing levels and the impact this had on the level of care these complaints were never acted upon."

How does my hon. Friend think that that should be addressed? Should it form part of the inquiry that he is calling for?

Mr. Kidney: Some things need to be sorted out much more urgently than a public inquiry and one of those things is the way that the trust is managed. I should like to deal with that in some detail, although I know that other hon. Members are waiting to speak, but let me try to get on. I assure my hon. Friend that I will return to that point.

Professor Alberti started work at Stafford last Wednesday and I understand that he will finish this month. The Health Secretary gave an assurance that Professor Alberti's findings would be reported to the House. Can I take it that if people in Stafford want to hear first hand from Professor Alberti about his findings, he will be willing to meet people in Stafford to explain them? That would be helpful.

The National Quality Board investigation will be about how best the system can pick up early warnings. That picks up on what my hon. Friend the Member for Stoke-on-Trent, Central (Mark Fisher) said about regulation. I understand that that is a slightly longer-term investigation that will take until the end of the year to complete, but I am sure that it would be helpful to the whole House if the Minister confirmed what personalities are involved and what kind of work will be done.

I understand that the Dr. Colin-Thomé review about primary care trusts and the strategic health authority will be carried out as urgently as Professor Alberti's review and that it ought to lead to conclusions about why this PCT and this SHA carried on as normal when the situation at Stafford was clearly abnormal and that it will look at the lessons to be learned across the country from those findings.

On the disciplinary action that has been announced, we have a full and thorough report that is damning about the management. The chief executive is responsible for the management of the hospital. Even two weeks before the report came out, the chief executive produced

a statement saying that he was stepping down from the trust, which, locally, we all took to be the equivalent of resigning and getting no more pay. In fact, he sat at home and continued to receive his pay and there was no consequence for him until the day the report came out, when the interim chairman suspended him on full pay. That is one more example of something being said that was not meant. The hospital's good money should no longer be given to that chief executive. I hope that the Minister will express the urgency that everybody in Stafford feels is necessary to bring to an end the payment to that chief executive for work at that hospital.

The crucial question that arises because of those events, that report and the things that are in train at the moment is whether, today, the hospital is safe. That is a really important question for my constituents. The report says that whereas the Commission had concerns about A and E care, it had no such concerns about elective care. It says that complaints about outpatient care fell over the period of the investigation and that the coronary care unit and the critical care unit are highly regarded. It says that from the outset of its investigation it made the trust make changes to A and E care, and that in February 2009 it returned unannounced to inspect those changes and found them working satisfactorily. It says that the hospital is safe. The report also says that an unannounced inspection of infection control last autumn found complete compliance with the hygiene code for combating infections. All that is reassuring, but there are still complaints.

A week last Monday, I spoke in the House and asked for an urgent debate. I said that when I returned to my constituency at the weekend I received continuing complaints about care at the hospital. Last weekend, I visited a constituent at home who had complaints about nursing care in February 2009. Whatever improvements have taken place in the past year, everyone must agree that there is still more work to be done to restore public confidence in Stafford hospital.

A good organisation will try to address complaints straight away, and to put matters right while it can. A good organisation will review all complaints to learn lessons for the continuous improvement of its future work. Stafford hospital was not a good organisation, because the report tells us that it did not act on complaints about its services and did not learn lessons from complaints. In my meetings with the trust throughout that period, it told me that it was doing those things when it was not. That was the case in respect of complaints upheld by the trust and by the Healthcare Commission that were passed to the trust to be put right.

The actions that have now been taken and will be taken will turn Stafford hospital into a very good NHS hospital. With all the attention focused on it now, we are entitled to expect that, but beyond the immediate improvements we must face up to the challenges of sustaining the improvements, embedding the management, the culture, the clinical effectiveness and the public accountability, so that they will still be in place when the nation's interest moves on from Stafford.

I want to suggest three key requirements to ensure that our local hospital reaches the standard of the best and stays there. The first requirement is leadership, management and governance. We need a new leadership team, a new chief executive and a new chair of the trust. We need a completely restructured board of directors, and the full involvement of the foundation trust mass membership and its board of governors, the majority of whom are elected. When the boards of directors and of governors meet, they must meet in public, and the present interim chairman has given that assurance. We will seek the same assurance from whoever is appointed to the new leadership team. I was surprised to learn from a Library briefing that a foundation trust may decide to hold all its meetings in private, and that no one can stop that. Has the law not gone too far, and should it not be changed on that specific point? Whatever other hospitals do, I want my hospital to publish information on deaths, complaints and care standards. In the words of the commission's report, I want an open and learning culture.

My second requirement is clinical excellence—the Darzi agenda writ large. We must have proper training, supervision and accountability of staff. Staff should feel free to speak out about bad practice and near misses. Clearly, the hospital cannot learn from such incidents unless they are known about. I want management that means it when they say that their staff are their greatest asset. I want staff to be involved in decision making, and to have the confidence to speak up knowing that they will be listened to.

On targets, I have received briefings for this debate calling for more flexibility. The British Medical Association says that

"targets ought to be flexible".

The Royal College of Nursing says:

"The RCN is calling for a more realistic target of 95 per cent. of patients to be seen within 4 hours rather than the current 98 per cent."

I am definitely in favour of flexibility but, equally, if we get the quality of service right in A and E, meeting a target of a four-hour maximum wait should follow in most cases.

The third requirement is public and patient involvement. It cannot have helped the hospital that when there should have been good quality public and patient involvement the system for delivering that has been reorganised three times. We had a community health council, but it was abolished. A public and patient involvement forum was set up. It worked and it did things, but it was abolished. Now we have a LINk—a local involvement network. It has taken ages to set it up, but I am not sure what it has done to justify its name. The hospital cannot afford such drift. Like the trust management, we must now create a modern, effective body with real power, not just a talking shop. It must be a Rottweiler on behalf of patients and the public.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): I applaud my hon. Friend for securing this crucial debate and for the hard work that he has done for his constituents. Given that he received assurances from the previous hospital management that everything was fine, what are his proposals to ensure that when statements are made at public meetings and information is provided, it is underpinned by good accountability?

Mr. Kidney: I said that in the case of my hospital, I want details of deaths, complaints and standards of care to be published. That is the sort of accountability that we want. We also want a management that allows staff to speak out and does not dictate that they must

[Mr. Kidney]

keep quiet, and we want public and patient involvement from a group of people who get things done and link back to the public at large. Just as the nation's interest will move on, so local interest will move on when people believe that their hospital is like every other hospital. I want people who remain dedicated and like Rottweilers on the hospital's case. Those are my three suggestions for securing a sustainable future for a good hospital.

I want to finish by returning to the argument for a pubic inquiry. When I applied to the House for an urgent debate nine days ago, I gave four reasons for a public inquiry being justified. The first was to find out how the trust managed to pull the wool over the eyes—if that is what it did—of the regulator and others for so long without being caught out. Does the system rely on too much self-assessment? Are there things that the new regulator should know about the tricks and loopholes that people can get through if we are not careful?

The second reason for a public inquiry is that I want there to be proper rigour, supervision and authority about the independent reviews of patients' case notes. An inquiry would be the right place to house the work that is being done on each of those cases. The third reason is the clinical failings at the hospital. What more, besides the understaffing that we know about and the lack of training that the report refers to, caused the hospital to fail so many times to deliver what the report regards as basic standards of care. The fourth reason is to find out what was wrong with the public and patient involvement. Was it just that the hospital did not do the sort of things that were done elsewhere, or is the system missing something that should be put in place? Those are the four reasons that I gave. I am not the only one saying that there should be an inquiry. Locally, the group that represents patients, Cure the NHS, says so. Nationally, the group that represents patients, the Patients Association, says so.

I received a briefing for this debate from the charity, Action for Victims of Medical Accidents, which says that there are still unanswered questions. It lists eight questions, and it is worth considering all of them. First, why did the Healthcare Commission fail to become aware of the problems at Stafford and delay intervening for so long? Secondly, why were the primary care trust and strategic health authority not aware of, or why did they fail to address the problems at Stafford? Thirdly, how did Monitor fail to recognise the problems at Stafford, and allow it to be given foundation trust status? Why did the different bodies fail to communicate with each other? Fourthly, why were the concerns and complaints of patients and relatives not properly addressed over a long period, and why did they not spark urgent action from any relevant body? Fifthly, what are the reasons for believing that existing and emerging systems of monitoring and regulating quality and safety, including the new Care Quality Commission, will prevent the same things from happening again? Sixthly, what measures have been taken to address the failings of individual board members, managers and other staff responsible? Seventhly, are the measures taken to identify which patients may have been harmed or died unnecessarily due to failings at Stafford adequate? Eighthly, what lessons can be learned at every level to prevent this from happening again? That is a powerful set of questions. Will the Minister and the Secretary of State not reconsider the case for an inquiry?

Stafford hospital is our hospital—the hospital that my family and I, like hundreds of thousands of other residents of the Stafford constituency and surrounding constituencies in Staffordshire, go to for care and treatment. We are horrified by the report's contents, confused that so many NHS organisations were involved but none made a difference, angry that the assurances given to us—given to me—by professionals over the past few years were completely misleading, and heartbroken for those who suffered when they should have been comforted and for those who died when they should have lived. We look to the Minister—I look to the Minister—to stand by us while we rebuild public trust and confidence in our Stafford hospital.

3.1 pm

Mr. William Cash (Stone) (Con): My constituents, too, are served by Stafford hospital and are devastated by what has happened and what has gone wrong, as am I. I place on the record my tribute to Julie Bailey and Debbie Hazeldine, who are here today on behalf of the patients' campaign group, Cure the NHS, to the Patients Association and to Ken Lownds for their sterling work on behalf of the patients and victims of this terrible tragedy.

The Healthcare Commission report has fulfilled a useful preliminary purpose. Its investigation would undoubtedly shorten and reduce the cost of an independent inquiry under the Inquiries Act 2005, which is the subject of an early-day motion tabled by the shadow Secretary of State—my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), who is present—and signed by about 150 Members of Parliament. The investigation has achieved a considerable objective, but I refer to an independent inquiry because it would be independent by virtue of statute.

There will be various reviews, such as the review of case notes and the Alberti review, which deals primarily with accident and emergency. The review by the Care Quality Commission, which the Prime Minister mentioned, raises questions about conflict of interest, in that its inquiry will include an analysis of the role of the strategic health authority, in which the person now in charge of the Care Quality Commission was involved.

There is also the primary care trust review. However, those reviews and any internal inquiries will not be independent in any real and effective sense, despite claims to the contrary—I expect some from the Minister today—because they will not take evidence on oath or compel witnesses, and there will not be compulsory production of papers or protection of evidence given by whistleblowers.

The catalogue compiled by the Healthcare Commission is incomplete, because many people have come forward since that report was produced, including patients and victims, but surprisingly still no whistleblowers. The latest information that I have from the campaigners is that, since the report was produced, potential evidence has emerged of two fatal errors in accident and emergency; there are still shortages of nurses; there is a lack of understanding of an early warning system for patient

deterioration; and a range of other matters are still going wrong. The Royal College of Nursing has already written to us with regard to a number of those matters.

No doubt the new interim chairman and chief executive will continue their work, but I stress that the Healthcare Commission report is only preliminary, and to put things right and deal with the cultural problem, which clearly has existed for a very long time and, some argue, goes back earlier than the period covered by the Healthcare Commission investigation, we need to know why this tragedy occurred. All those are reasons for an independent inquiry of the type that I have called for, which is supported by many Members of Parliament and by every newspaper in the Stafford area and indeed throughout the country.

Such a public inquiry was granted in 1984. I called for an inquiry as soon as I heard of the problems and deaths from legionnaires' disease at the very same Stafford hospital when I was Member of Parliament for the Stafford constituency. The Prime Minister of the day granted an inquiry as soon as I called for one.

The scale of the problem outlined by the Healthcare Commission and the depth of the problems of governance and management in the history of this situation are reasons for an independent inquiry, which would sort out what happened and why. That would enable substantial lessons to be learned both nationally and locally, and the Healthcare Commission itself acknowledges in its report the need to draw national lessons from what has happened.

There are many fundamental reasons why an independent inquiry is essential, and the Minister, in replying to the debate on behalf of the Secretary of State and the Prime Minister, should reflect carefully on the fact that if he refuses to hold such an inquiry, that will be a reflection on his judgment and integrity. For the reasons that I am about to explain, in addition to what I have already said as a matter of principle, I believe that failure to hold an inquiry would amount to a cover-up, and furthermore that only a public inquiry would satisfy the points that I am about to make.

Those reviews are not independent in the sense in which I have explained independence. They are scattergun reviews, with different terms of reference and timelines for reporting, and they do not allow the compulsion of witnesses and papers. That is a vital ingredient to get to the bottom of this tragedy. If the Government refuse to have an independent inquiry under the 2005 Act, that will be a local and national disgrace.

Failure to hold a public inquiry would suit the trust, the strategic health authority, the Care Quality Commission, the board, the Secretary of State and the Prime Minister, but it certainly would not suit the patients or victims and it would not be right for the future of the hospital. A public inquiry would not only be independent and get to the bottom of what went wrong at the hospital, but it is needed for the following reasons.

The Healthcare Commission itself agreed that Mid Staffordshire NHS Trust had "fully met" all existing national targets between 2006 and 2008. The obsession with targets was one reason for the failure of the trust board. Furthermore, in 2006-2007, the trust met its targets despite disturbingly abnormal mortality rates. The Healthcare Commission report dated those as far back as 2003-04, and the Commission for Health Improvement criticised the quality of care as early as 2002. Therefore, the Healthcare Commission report of itself does not go back far enough. That is a reason for having an inquiry into what happened.

Dr. Foster Intelligence, which monitors mortality rates, put the trust as the eighth worst acute trust in 2008 and the second worst in 2007. The strategic health authority—whose chairman during much of that time is the new chief executive of the Care Quality Commission, established today—received mortality reports in 2007 and 2008. I called for an independent inquiry and raised my grave concern when I said to the Prime Minster and the Secretary of State that I believed that there was a conflict of interest—I said that on the Floor of the House; it is in *Hansard*—because Cynthia Bower was chairman of the strategic health authority, but is now chief executive of the Care Quality Commission.

On the "Today" programme this morning, Baroness Young of Old Scone—who has taken over the chairmanship of the Care Quality Commission, which the Prime Minister said on 18 March would take over the review of the Mid Staffordshire problem—said in reply to the question that Cynthia Bower appeared to have a conflict of interest that she had examined what Cynthia Bower did during the period in question and was satisfied. That is a travesty, given that in the minutes of a meeting of the strategic health authority board on Tuesday 18 March 2008, which I have with me, Cynthia Bower said that

"there appeared to be nothing to indicate anything out of the ordinary was taking place on mortality."

Baroness Young said that the tragedy at Mid Staffordshire had eluded everybody, whereas Mid Staffordshire had been ignoring what patients and victims were saying.

On the programme, there were also exchanges with the representative of the Patients Association in relation to the question of self-assessment. That is dealt with in the Healthcare Commission report, which came through a few days ago. It is shown that it was Government policy to revert to local assessment, rather than external assessment, in the legislation setting up the commission. The very fact that that has been so disastrous and the strategic health authority has not done its job properly shows that the Care Quality Commission will not be able to deal with those questions, which is yet another reason for an independent inquiry.

Indeed, I raised many of those matters with the Baroness a few days ago at a meeting in one of the dining rooms in the House of Commons. In the interview this morning, she said that what happened at the trust had eluded others and that she was satisfied with the outcome, but I do not see how that squares with what I have reported from the minutes.

Furthermore, there is the problem of self-assessment. The Care Quality Commission will not have the same function as the Healthcare Commission of reviewing complaints at a local level, and that is made clear from the report to which I have just referred. There is also much in the report about hearing the voices of patients, but the campaign group Cure the NHS has a catalogue of complaints that have not been resolved. Indeed, I am informed that there were no formal contacts between the hospital and the campaign group until it was far too late.

[Mr. William Cash]

The Healthcare Commission end-of-term report emphasises that effective regulation combines listening carefully to users and staff and engaging with local patients' groups, and that is included in the new Care Quality Commission's statutory objectives. Even with the statutory objectives in the new legislation, can there possibly be confidence in the Care Quality Commission, given the tragic circumstances that have arisen at the trust and the failure of the SHA, which did not even visit the trust, not to mention the conflict of interest that I described?

Stafford borough health scrutiny committee was given information relating to mortality rates at its meeting with the trust on 13 August 2008, and I have that information with me. At the presentation, the trust claimed that those rates were "consistently below national average", but that seriously differs from other evidence, including that from the Healthcare Commission. The presentation also referred to independent reviews of mortality rates by the SHA and the university of Birmingham, none of which appear to have been accurate or substantiated. There were also extremely unreliable statements about the control of infections and MRSA—methicillin-resistant Staphylococcus aureus—and claims that there was a positive review by the Department of Health cleaner hospitals team. Finally, Monitor itself has clearly not performed its functions effectively in relation to the failings at the trust and the granting of trust status.

All in all, there has been a systemic failure internally and externally at every point on the compass by a wide variety of bodies charged with investigating and providing analysis, statutorily or otherwise. For the reasons that I have given, no confidence can be placed in the arrangements that the Secretary of State has put in place in relation to the trust, because they lack the fundamental elements of real independence, compulsion on oath and in relation to papers, and the protection of whistleblowers, which only an independent inquiry of the kind that I have called for can provide. On receiving notice of the Healthcare Commission report, which had been leaked, I went straight out to the public and called for an independent public inquiry, and I call on the Secretary of State to accept such an inquiry in the light of my submissions.

There is no answer to this question other than an independent inquiry—the people of my constituency insist on one, the people of neighbouring constituencies insist on one and every national, regional and local newspaper insists on one. I can think of no reason why the Secretary of State and the Minister should not agree to such an inquiry. If they do not, the Government's integrity will be at stake.

3.13 pm

Dr. Tony Wright (Cannock Chase) (Lab): I should not be here today—I should be at the funeral of a lady who died in Stafford hospital a few days ago. I phoned her husband last night to ask whether he would prefer me to go to the funeral or to come here, and he said that he would rather that I came here. I asked him about the care that his wife had received on ward 1 at the hospital, and the words he used were "absolutely brilliant". Indeed, he thought that it was so good that he and his family had been into the ward to thank the staff for looking after his wife, and he said that he intended to write to the chief executive to put on record the care that they had shown her.

I say all that partly because that lady's husband asked me do so, but also because much of what we say on this issue is necessarily extremely critical—how could it not be? It is worth inserting, therefore, the fact that there are clearly many people in the hospital who are doing their damnedest in difficult circumstances to provide good care to patients.

I have been through all my files again, looking at these dreadful cases, which go back more years than does the Healthcare Commission report. I would have read some of them out in the Chamber had there been more time, but I will mention just one, which relates to a former nurse on ward 10 last year. I do not have time to read out her experiences, although I would have liked to do so. However, she concludes:

"So many old people, lying dependent on too few staff was for me frightening. For them, many of whom were deaf, partially blind or crippled, they must have felt that they had been completely abandoned. I cannot believe that supposedly fully trained nurses, with vocation, care and compassion gain any satisfaction from such an abysmal situation".

The fact that that was written by a former nurse, who is describing her own experiences, is particularly telling.

We all knew from the cases that we were dealing with that something was going seriously wrong. When we finally got an inquiry because the figures had been picked up by Dr. Foster and then by the Healthcare Commission, and because of the persistence of the patients' group, I wrote to that inquiry in April 2008 to say that it should look at the pattern of complaints over the years

"as these have highlighted systematic care issues that I believe have needed attention".

I think we all felt that. The tragedy is that it finally took a Healthcare Commission report to bring to light things that we knew were happening.

Perhaps the worst thing is that each time we worked with families to pursue complaints, we got letters back telling us that those complaints were being attended to and that action plans were being put in place. Indeed, I have records of those letters with me. I found one letter particularly chilling because it was written by a sister who had investigated a particular case:

"I apologise for the distress caused to"

the patient—

"and her family and that she found the staff uncaring. We continually try to update our staff's knowledge and awareness in customer care and all staff have attended Confidence in Caring study days which addresses issues such as customer care".

When I read and re-read that, I had to wonder what state we had arrived at. We are told that nurses have to be sent on customer care courses to learn that care for patients is part of the job that they are engaged in. The trust's responses were unsatisfactory and it is a tragedy that it finally required a Healthcare Commission report to prove that.

The commission's report is very good and it tells us what happened. Essentially, it tells us that something was wrong with the organisation's whole culture and that that prevented it from being turned around. However, it does not tell us why things happened or what we need to do to ensure that something like this never happens

again. As has been said, there are still questions hanging in the air. I am genuinely puzzled as to why, if such a situation existed for so long in accident and emergency and in certain wards, people in the system who knew what was going on did not come forward to speak about it.

I speak as someone who introduced the first whistleblowing measure in the House. The whole point of that was to give people the protection that would enable them to go to the regulators and raise issues of safety or irregularity, yet it clearly did not happen in this case. The report from the Healthcare Commission says, in terms, that when it asked doctors whether they were happy for their relatives to be treated in the hospital, a majority said they were not. What were those doctors doing? Why did they not go to their professional body or the regulators? The note that we had from the British Medical Association is quite inadequate and simply says that what has emerged shows that there was a lack of consultants. Yes, there was, but my goodness, it shows more than that.

Mr. Cash: Without going into details now, I shall shortly be revealing what happened when a whistleblower got in touch with me. Apparently, he has been suspended—partly, if not entirely, because he spoke to me. In addition, he has been called in for psychiatric assessment. That smacks of the creation of a culture of fear reminiscent of things that went on in the gulags and under fascist and communist regimes of the past. That is the kind of culture that we must stamp out.

Dr. Wright: I was almost following the hon. Gentleman until the end of his intervention. I cannot talk about gulags, communism and fascism, but there is something seriously wrong when people feel that they cannot safely raise issues. Every organisation, and certainly every trust and hospital, should have a whistleblowing procedure that staff know about and feel confident with, so that they have somewhere to go, with their employment protected, when they want to raise legitimate issues of the kind in question.

We are still asking questions about those issues. As has been said, we are still asking very basic questions about how a quite elaborate regulatory system, with many different actors within it, failed to get to grips with what was happening over such an extended period. How can it be that in the Healthcare Commission annual health check in 2006 and 2007 Mid Staffordshire was described as one of the foremost improved NHS trusts? That beggars belief.

That is the case for saying that we have not yet come to the end of the story. We know a lot about what happened, the culture of the organisation and what was wrong with it, but we do not yet know enough about how it happened in the way it did, why it was not picked up along the way and, most importantly now, how we can be sure that in Stafford and elsewhere it never happens again. That provides a case for a further inquiry, which the Patients Association summarised succinctly:

"How a Trust with such a poor standard of care, longstanding issues with its mortality rates and consistently high complaint levels was able to progress successfully is a question that requires a full and frank answer".

We do not yet have an answer to that: how could a trust go through the regulatory system in the way that it did over the years and then receive a damning report of the kind that has now been produced?

There are many reasons for thinking about holding inquiries. Four or five years ago, the Committee of the House that I chair did a detailed inquiry on the whole business of inquiries, and we discovered that there are many reasons for holding them. Indeed, we asked the Government to try to work through a checklist of questions when deciding whether to hold an inquiry.

One reason for holding an inquiry is to provide public reassurance. Whatever else we say about the case, there is an urgent need for that. When the question of a further inquiry beyond those already announced by the Government was raised, I was genuinely unsure whether it would contribute to our knowledge of what happened. I wrote to Sir Ian Kennedy, largely because I respect him. He gave evidence to our inquiry about inquiries, many years ago, and I have known him over the years. He presided over the Bristol heart baby inquiry and has latterly chaired the Healthcare Commission.

I have today received Sir Ian's reply, which I am sure he will not mind my quoting:

"I cannot see that a further, large-scale and expensive exercise would add much."

He goes on:

"There are, however, other purposes having to do with catharsis and healing (which I found to be very important in Bristol). I cannot see that these need to be achieved through a public inquiry, but I do think that they should not be neglected."

He goes on to describe mechanisms that might do the job.

I do not think that we should get hooked up on this point. We need answers to questions that still hang in the air, but how best to get them, and how to provide public reassurance that the issue has properly been explored and that we have learned the lessons, is something about which we can have an intelligent discussion.

I support an inquiry because the people I represent believe that they need one—that is the public reassurance and catharsis point. The fact that they feel they need an inquiry is a reason why they are entitled to expect us to support it. One reason for my originally being somewhat hesitant about the inquiry issue was that I did not want an inquiry to go on for ever, make a lot of money for lawyers and not tell us much more than we know now, when what people are entitled to expect is a relentless focus on ensuring that the hospital in question moves from being one of the worst performers in the country to being one of the best. Whatever else we may say about what has happened, that is an obligation on us all.

Miss Anne Begg (in the Chair): I should inform the Chamber that I shall call the first Front-Bench spokesman at 3.30.

3.26 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): With that warning ringing in my ear, Miss Begg, I rise to pay tribute to the hon. Member for Stafford (Mr. Kidney) for the way in which he has handled himself throughout this whole sad business and for the way in which he introduced the debate. I agree with everything that the

[Dr. Evan Harris]

hon. Member for Stone (Mr. Cash) said—a rare occasion—and almost all of what the hon. Member for Cannock Chase (Dr. Wright) said. I declare an interest in a couple of respects: I am a member of the British Medical Association and on its medical ethics committee, and a vice-president of the Patients Association. My father—this is relevant, as you will hear in a moment, Miss Begg—was professor of child health at Alder Hey before the regime of Professor van Velzen, and in fact appointed him.

I have come to the debate today—I am pleased that the Opposition parties have sent their shadow Secretaries of State to respond, to show how seriously they take it—because I feel both angry and guilty about how, when I was a Front-Bench spokesman, I failed, I guess, to get the point across strongly enough about one aspect of the causes of what happened: the role of targets. I do not claim that that was the only cause, because it was not, but it was clearly contributory.

On page 49 of the Healthcare Commission report, which I shall not read out, there are clear examples of how the operation of targets had an impact on patient care. I do not claim that it is only targets that are the problem; clearly, the way in which the management handled them contributed too. However, there was a fundamental problem with them. I remember a conversation with the hon. Member for Cannock Chase about targets when his Committee was conducting an inquiry, and I thought that its recommendations and conclusions did not quite match some of the fundamental problems.

I am concerned because in a Westminster Hall debate on A and E on 10 September 2003, in a speech devoted entirely to the impact that targets could have on distorting clinical priorities, I said at column 85WH that I had been complaining for six years about the imposition of targets, which worked against the best interest of patients and the health service. I pointed out that the four-hour target for processing people through the department was the wrong measure. On 3 June 2003, as an example, I cited to the then Minister, who is now the Minister of State, Department for Innovation, Universities and Skills, the right hon. Member for Tottenham (Mr. Lammy), a BMA survey showing that

"a majority of respondents in A and E felt that the measures taken"

in relation to targets—

"'had distorted clinical priorities . . . and many said that waiting times for patients with the most serious conditions had increased'"

and that

"'patients were being rushed through A & E, inappropriately admitted, or transferred to the wrong department.'" [*Official Report*, 3 June 2003; Vol. 406, c. 2.]

It is all here the report. The failure of inspection—the failure of oversight—is a serious matter. There were more deaths in Stafford than in Bristol; there was heartache at Bristol, but no deaths as a result of such shockingly poor practices. Given that there was a public inquiry into what happened in Bristol, there must be a case for holding a public inquiry into what happened at Stafford hospital.

My question to the Minister is this: will one of the inquiries, perhaps that of Professor Alberti, look at the role of targets, the fact that the Government insisted that they had to be met and the way in which they were implemented at Stafford hospital? I believe that the inspectors were unaware that the trust was failing, as it was meeting targets. That reassured everyone. If the Minister were to answer that question, I should be grateful.

3.30 pm

Norman Lamb (North Norfolk) (LD): I, too, congratulate the hon. Member for Stafford (Mr. Kidney) on securing the debate. As others have done, I pay tribute to the way in which he has conducted himself and the way in which he has put his case. I agree with everything that he said.

The scandalous litany of failure, which has been going on for so many years, demands an independent public inquiry. The hon. Member for Stone (Mr. Cash) and I called for an inquiry in response to the statement made a couple of weeks ago, and I maintain that view. It is always easy in such cases to find a scapegoat, blame the chief executive, and then move on. It is right that he should be held to account, but it is essential—it is the duty of the Government—to ask whether wider questions need to be asked about the causes of such scandalous failures. I therefore have some key questions for the Minister; he can answer them either today or in writing, but they should be considered also by a public inquiry.

First, as the hon. Member for Cannock Chase (Dr. Wright) said, what about the role of the clinicians? They were clearly understaffed and under a lot of pressure, but each of them had a duty to their patients. Did any of them speak out at any stage? What happened about the clinicians who were responsible for care in those hospital units? Has action been taken in respect of any of them, or have we quietly moved on? As the hon. Gentleman said, the comments of the British Medical Association are not adequate to address the concerns that have been raised.

Secondly, what about justice for the families who were so badly affected? What consideration has been given, and needs to be given, to how justice can be secured for them? Thirdly, what about the role of the coroner? It is utterly scandalous that the coroner should have obstructed the inquiry. What lessons are to be learned? What will be done to ensure that it never happens again?

My fourth question is about the role of the primary care trust and the strategic health authority. I have a copy of a letter that Sir Ian Kennedy wrote to the Chairman of the Health Select Committee, which I received only yesterday. Sir Ian raises some important questions. First, he says:

"The responsibility for managing performance, including effecting necessary improvements, lay and lies with the trust and its performance manager, the Strategic Health Authority, the commissioning PCT and, after the award of Foundation Trust status, Monitor. These performance managers are able to visit any trust and call for whatever information that they believe is necessary from the Trust to carry out their duties."

What did they do? What visits did they undertake, or was it simply a paper exercise, considering the death rates from afar? That is a central question.

Sir Ian also says:

"Following normal practice, efforts were made"—

by the Healthcare Commission, as part of its investigation—

"to liaise with the trust and the SHA to explore what was needed."

What co-operation did it receive? Was the response adequate, particularly that of the strategic health authority? Sir Ian then says:

"The investigation team at the Commission did not know that the Trust was being considered for this status"—

that is, foundation status; I find that utterly extraordinary—

"and was not asked whether there were concerns about the performance of the Trust in terms of the safety and quality of care...We understand that Monitor asked the Strategic Health Authority for its views; the SHA was aware of our work on mortality outliers and 'alerts' by then."

That is scandalous. Why did the strategic health authority remain silent? The allegation is that it was sleeping on the job. That leads us to the chief executive of the SHA, who today takes over the national Care Quality Commission. She must be a player in a fuller investigation of the scandal. As the hon. Member for Stone said, there would be a conflict of interest if the matter was considered in-house rather than independently. That is why independence is so important. Another factor is that her predecessor as chief executive of the then strategic health authority is now chief executive of the NHS.

Mr. Cash: Does the hon. Gentleman not agree that it is so serious that it is impossible to imagine the evidence of the strategic health authority being evaluated in this context in such circumstances? It will be impossible, with such a conflict of interests, to get things right without a public inquiry of the kind that we have called for.

Norman Lamb: I agree.

The fifth critical question, as my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) made clear, relates to the role of enforcement of targets—in this case, the four-hour target. Under the heading, "What were the reasons for the failings at the trust?", the Healthcare Commission report says:

"Doctors were moved from treating seriously ill patients to deal with those with more minor ailments, in order to avoid breaching the four-hour waiting time target. Patients were moved to the clinical decision unit to 'stop the clock' but were then not properly monitored, since this area was not staffed."

It beggars belief that the Secretary of State did not mention the four-hour target in his statement, and the bullying culture that pervades the enforcement of such targets.

Mr. Kidney: Will the hon. Gentleman give way?

Norman Lamb: I am sorry, but I do not have time.

Surely there is a duty on the Government to look beyond what happened in that hospital and consider other factors, such as the four-hour target. Wherever I go in the country, I am told by hospital clinicians that, yes, the four-hour target has been beneficial, but I am also told about the bullying culture that surrounds its enforcement. If the Government refuse to consider that, they are failing utterly in their duty. Page 49 of the report shows a graph of when patients leave A and E. Sure enough, there is an enormous spike on the four-hour point, which suggests that people are being shunted out of A and E because the four-hour target has been reached. The Government need to consider that most carefully.

My final question is how on earth can the hospital have possibly cleared all the hurdles to securing foundation trust status, given that the failures had been going on for so long? It had to pass the scrutiny of the primary care trust, the strategic health authority, the Department of Health, the Secretary of State and Monitor to secure it. It shows a tick-box mentality of the same sort that gave Haringey council three stars for its children's service just as the baby P scandal was unfolding. As other hon. Members have said, it has to be the subject of a full independent inquiry. It is scandalous, shocking and horrifying that those failures occurred in a national health service hospital. The NHS is an institution of which we are all proud, but this NHS hospital has badly let down patients in Staffordshire.

There must be a full independent inquiry. Lessons must be learned. Every time one of these awful incidents occurs—I remember the last one, when we were discussing Maidstone hospital—we always say that it must never happen again. Then another incident occurs in a hospital that has been found to have passed through the regulatory process. At some stage, this must come to an end. We must be able to have faith in our NHS hospitals. It is the Government's duty to ensure that an independent investigation takes place, to get to the full truth of what happened.

3.39 pm

Mr. Andrew Lansley (South Cambridgeshire) (Con): I join other Members in thanking the hon. Member for Stafford (Mr. Kidney) on securing this debate and on the manner in which he introduced it. We all appreciate the contributions made by him, my hon. Friend the Member for Stone (Mr. Cash), the hon. Member for Cannock Chase (Dr. Wright) and others with personal knowledge of the patients treated at Stafford general hospital.

Time permits me to make only a small number of points, so I shall focus on the issues as seen by patients themselves. In the immediate aftermath of the Healthcare Commission's report, it became glaringly and painfully obvious that the people who knew what was happening had no power, and that those who had power either did not know what was happening, or did not care sufficiently. That situation must change. My hon. Friend and others called for an independent inquiry on the day of the Secretary of State's statement, but I must confess that I was reluctant to support it, as he will know, because the Healthcare Commission, for the purposes of its investigation, was an independent body aiming to establish what happened. It has reported and done so capably, but it is perfectly clear from the report that it did not consider it part of its job to question policy or to make recommendations relating to it.

One might say that it is our and Ministers' job to determine policy, but sometimes Ministers are in denial. As the hon. Members for North Norfolk (Norman Lamb) and for Oxford, West and Abingdon (Dr. Harris) said, the Healthcare Commission's report explained in detail how the target culture of downward pressure and tick-box target adherence contributed to the failures at Stafford general. Why then did a Minister, on the day that the report was published, say that it had nothing to do with targets? I think that Ministers are in denial about the conclusions set out clearly in the commission's report. They have commissioned further reviews. For

[Mr. Andrew Lansley]

instance, they have asked Professor Sir George Alberti to visit the hospital to examine compliance with the requirements for best practice and treatment in emergency care. However, he will not question the target culture, because, for years, he has been the national clinical director inside the Department of Health responsible for the implementation of the target culture. There is no independence in that sense.

If the further reviews initiated by the Government are not independent, we cannot expect them to arrive at answers that command confidence. Patients and relatives so much affected, distressed and hurt by what has happened demand—and we should accept their demand—that they be given the opportunity to be heard; to see all the facts presented in public; to see behind the conclusions and evidence set out in the commission's report; to find out what the policy and regulation structures were that led to this situation, and why it happened; to secure closure; and, more than that, to contribute to the increased confidence that this will not happen again, either at their hospital or at somebody else's. Last week, I visited Stafford and spoke with Julie Bailey and others from Cure the NHS. From that conversation, I feel strongly that their underlying objective relates not just to what happened to them and their families, but to ensuring that quality of care for patients is, and remains, the absolute focus of NHS staff. We must put in place a mechanism, through an independent inquiry, to ensure that nothing gets in the way of that.

The hon. Member for Cannock Chase rightly raised the point that, day by day, in Stafford general hospital, patients are treated well—excellently, in many cases. There is nothing paradoxical—certainly not to me and those who know the NHS well—in the proposition that some patients in the same hospital are treated well, but others not. One can literally go from one ward, where the standards of cleanliness, hygiene and care are very high, to another, where they are not. The Minister might say, "Well, that is all about leadership"—of course, it is—but at Stafford general hospital, precisely the opposite set of circumstances applied to those in some of the hospitals that have responded best to the downward pressure for improvements in emergency services. In the very best hospitals, including some that I have visited, the response to that pressure has been to re-engineer the whole of their emergency activities so as to maintain high-quality care, while delivering on the Government's targets. In others, however—unfortunately, Stafford general is one of them—there has been no effort to re-engineer those activities to deliver and sustain quality through the appointment of sufficiently well trained staff. They clearly did not see the need for that. The Healthcare Commission clearly identified the nature of the problems with Stafford general's emergency department and the subsequent emergency admissions to other wards.

If every hospital was to succeed in delivering high-quality care, there would be no need for a regulatory system. If every hospital was to perform to the best of its potential, there would be no need for performance management. If every hospital could have any number of patients referred to it, without constraint or control, and still deliver high-quality care, without scrutiny and accountability, there would be no need for NHS health care commissioners. But we need all those things. None of them can be relied on to happen automatically. A worryingly large number of bodies are involved in the commissioning process. That primary care trusts, acting as commissioners, appeared to be concerned only with cost and volume, and not with quality, is a condemnation of the level and nature of the commissioning being undertaken by PCTs. When general practitioners referring patients were asked by the PCT whether there was a problem, they said, "Yes, we have many concerns." Clearly, however, they had no influence, which tells us something important about the failures of the local commissioning process.

The hon. Member for North Norfolk is right that there is far more to this story than is in the Healthcare Commission's report, which is entirely condemnatory of the role of the West Midlands strategic health authority. It was responsible for performance management and was told regularly by the commission about its concerns and the lack of co-operation from the Mid Staffordshire NHS Trust, but the SHA did not act or intervene. When the opportunity arose, it did not tell Monitor about the concerns before foundation status was granted. That tells us that far greater examination is needed of the role and influence of SHAs in relation to NHS trusts and, in particular, in this case, the then chief executive, who is now the chief executive of the Care Quality Commission. That needs to be independently examined.

Last Thursday, I visited the Mid Staffordshire NHS Foundation Trust. Despite the improvements made and the substantial recruitment of additional staff, there remains, inside the trust, a lack of acceptance of the failings that occurred and of an understanding of what is required to secure the confidence of the public that it serves. We have all learned, in many circumstances, that to learn from what has gone wrong is the starting point of getting things right in the future. On the day of the report, the interim chief executive, on behalf of the trust, wrote to hon. Members and members of the NHS foundation trust. In that letter, he neither accepted the report in full, acknowledged in detail the scale and severity of the failings, nor explained how the hospital's underlying cultural problems, the responsibilities of front-line clinicians or engagement with patients and the public would be altered. The letter literally just said, "This is what we've done. Here are the additional staff we've recruited. In effect, it's time to move on." It is not good enough for the hospital to say that it is time to move on and that it will improve things in the future. We need to understand what happened, and Ministers must accept that we can only do that through an independent inquiry.

3.50 pm

The Minister of State, Department of Health (Mr. Ben Bradshaw): I congratulate my hon. Friend the Member for Stafford (Mr. Kidney) on securing this debate and on giving hon. Members an opportunity to discuss in more detail the very serious findings of the recent Healthcare Commission report. I will endeavour to answer the questions that he and other hon. Members have raised in the short time that we have left. If that is not possible, I will write to him and to other hon. Members after the debate. The Secretary of State and I have made it clear that our doors are open to anyone who wants to raise issues with us over the forthcoming days and weeks.

I will not go over the details of this report again. It is well known to hon. Members, who have repeated many of its dreadful details today. Suffice it to say, it represents a catalogue of catastrophic management and governance failure at Stafford hospital. My hon. Friend is right in his analysis of the chronology before 2007. One of the reviews announced by the Secretary of State—I will talk about it in more detail in a moment—will look at exactly what happened before 2007.

What is clear from the Healthcare Commission report is that it was only when it developed a more sophisticated approach to analysing mortality rates in hospitals in 2007 that it was alerted to the possibility of a serious potential problem at Stafford. My hon. Friend asked for an assurance that the hospital is now safe. The Healthcare Commission itself has given a public assurance that emergency care at the hospital is now safe. As an extra assurance, we and Monitor have asked Sir George Alberti, our national clinical director for urgent and emergency care, to conduct a review of the trust's procedures for emergency admissions and treatment. He will also examine its progress against the recommendations made by the report.

My hon. Friend also asked whether Professor Alberti's review can be widened. It is understandable that the review should focus on the emergency care and related services that were the focus of the Healthcare Commission's report, but we have made it clear that there should be no no-go areas for his inquiry. He is free to go anywhere and ask any questions he likes. He would actively welcome input from hon. Members and members of the public. I can assure my hon. Friend that the findings of the report will be made public. Professor Alberti will be happy to discuss them with him, other hon. Members and members of the public.

Mr. Cash: Will the Minister give way?

Mr. Bradshaw: I ask the hon. Gentleman for his forgiveness, but I have seven minutes left to answer many questions. I will get to the questions that he raised, and I do not intend to give way.

The second piece of work that has been launched by the Secretary of State is investigating what went on before the Healthcare Commission's investigation and why alarm bells were not ringing earlier. It will look specifically at the roles of the primary care trust and the regional strategic health authority. It will be conducted by Dr. David Colin-Thomé, the national clinical director for primary care, and, again, it will have no no-go areas.

I come now to the third piece of work. Hon. Members asked for an assurance that no other accident and emergency departments in the country were running their operations in the same disastrous way as Stafford. The Healthcare Commission has already said that it has rechecked all of those hospitals with what are called outlier hospitalised standard mortality rates, and is satisfied that they do not give cause for concern. NHS chief executive David Nicholson has also written to all NHS organisations, drawing their attention to the Stafford report and requiring them to satisfy themselves that similar failures cannot occur within their own organisations.

The fourth piece of work, in response to the commission's report, is that the trust is offering an independent review of patients' records for anyone who would like it. My hon. Friend asked me how that work was progressing. I am informed by the new management of the hospital that they have established a helpline, that they have already had 40 inquiries and that they are setting up a group of independent clinical experts to look at and examine the records of anyone who wishes that to happen.

My hon. Friend asked what personnel changes were happening, had happened and would happen at the hospital. I think that he recognises that personnel decisions at a foundation trust are for the board of that trust and for Monitor. Most of the old board, including the chair, have gone without any severance payment. There is a new acting chair, chief executive and medical director.

The previous chief executive, Martin Yates, has been suspended, while an independent investigator examines his role. The new acting chair is also examining the overall past governance and management of the trust. We have made it clear that the new management must make decisions that mean that the hospital can command the confidence of the public and that wrongdoing is dealt with. Moreover, there should be no rewards for failure. Personnel decisions must be swift, within the law and follow due process. Summary dismissal may provide people with some initial satisfaction, but that is likely to be short-lived if it is successfully challenged in court or at industrial tribunal.

I agree with my hon. Friend that boards should be open and should meet in public. I understand from the new chair of the Stafford trust that the board will meet in public. Moreover, I point out to my hon. Friend that the code of governance for foundation trusts encourages directors to promote openness in decision making and in the processes at meetings.

A number of hon. Members have made substantive calls for a public inquiry. The Secretary of State promised to give the matter further consideration after receiving representations from my hon. Friend and patients' groups during his visit to Stafford hospital last week. He accepts that public inquiries can be an important mechanism to establish independently the cause of a problem or disaster. However, in this case, the Healthcare Commission, the independent regulator expressly established by Parliament to scrutinise and investigate the NHS, has conducted a full investigation and produced a detailed report laying bare the failures at Stafford hospital. My right hon. Friend believes that a public inquiry would add little more to our understanding, be time-consuming and, crucially, distract the new management and staff at the hospital from focusing on further improving the quality of care for local people.

In a letter to my hon. Friend the Member for Cannock Chase (Dr. Wright), Sir Ian Kennedy spells out why he does not think that a public inquiry would be helpful. It was Sir Ian, after all, who chaired the Bristol public inquiry. Sir Ian says that he would be happy for his letter to be circulated more widely. However, if my hon. Friend or anyone else believes that there are issues or lines of inquiry that have not been addressed by the Healthcare Commission report or the subsequent reviews, the Secretary of State would be only too happy to consider them.

I urge anyone who has outstanding concerns or criticisms to make those known to the Alberti and Colin-Thomé reviews and to the new regulator, the Care Quality Commission, which begins its work today. The Care

[Mr. Bradshaw]

Quality Commission said that it will re-investigate Stafford hospital before September to ensure that improvements have been made.

I fundamentally disagree with some of the points that were made by hon. Members on targets. To try to blame what happened in Stafford hospital on targets is to let the management and the board off the hook. Hospitals up and down the country ensure that people do not have to wait more than four hours in accident and emergency, which is a perfectly reasonable standard, while at the same time providing safe and high quality care. The vast majority of hospitals in England meet the accident and emergency waiting target, and there is a very strong correlation between hospitals that perform well on the A and E target and their overall quality of care.

The new consultant at the A and E department in the Mid-Staffordshire NHS Foundation Trust told the Secretary of State last week:

"When you get the quality right the targets look after themselves."

I could not have put it better myself.

The hon. Member for North Norfolk (Norman Lamb) raised the issue of the coroner. Concerns have been raised in the report by a number of the families. My right hon. Friend has spoken to the Secretary of State for Justice about that, and officials in my Department have spoken directly with the coroner. He has made it clear that he is happy to facilitate the exchange of information with all of the ongoing reviews. He has also said that he would be happy to receive any application from a bereaved relative to have individual case notes examined.

I hope that I have managed to address most of the points. I know that I have not addressed them all, but I will write to hon. Members. I urge hon. Members to stay engaged with the new hospital leadership and the ongoing reviews that have been announced. I stress again that my door and that of the Secretary of State will be open to them over the coming days and weeks.

Home Improvement Agencies

4 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to have the opportunity to introduce the debate and to see the Minister in his place. He will, I hope, have some interesting things to say. I also welcome my hon. Friend the Member for Stoke-on-Trent, North (Joan Walley). She may have something to say, too, and I know the she has taken a long-term interest in these matters, especially through her involvement with the associate parliamentary group for environmental health.

I make no apology for talking first about my local situation, because that is how the issue came to my notice. I have an interest to disclose: I have been a member of the board of Care and Repair Stroud for some 21 years. I retain an interest, although I am not quite as active as I was in previous days—since being elected, I have taken on many other responsibilities.

Jane Creed, the manager of Care and Repair Stroud, contacted me initially on 16 March. She was very worried about the financial situation faced by the agency and told me that its access to grant was about to be cut in half. Last year, it was £960,000 and the agency was expecting that amount to be considerably reduced. The money has been allocated to Stroud district council. Some of it goes to other sources, but most will find its way—through the private sector housing renewal grants—to Care and Repair Stroud.

Jane pointed out to me the fact that that will have a major impact on the agency because its fee income depends entirely on private sector grant renewal moneys. Indeed, the danger is that, as well as losing the fee income, we are unlikely to realise the opportunity to find alternatives, given the short time we have to respond. Rightly, she has asked me to ask the Minister this question: where has the money gone? I think that we know where it has gone—to regional development agencies for new build—but this is somewhat disheartening, to put it mildly. The impact on the renewal and repair sector will be dramatic unless we can see this as a one-year event. I would welcome some assurance from the Minister that the money will find its way back into the sector.

Joan Walley (Stoke-on-Trent, North) (Lab): I congratulate my hon. Friend on securing the debate. Does he agree that we have an urgent agenda on housing, homes and public health, particularly in view of the G20 talks that are taking place today, and that we need urgently to look at how we bring private sector homes up to standard? No amount of new building can compensate for the lack of improvements in energy efficiency and decent homes standards in the private sector. For that reason, does he agree that it is vital to keep the funding where it is needed to achieve the improvement in existing housing stock, whatever else may need to be done to create new housing stock?

Mr. Drew: In a nutshell, my hon. Friend has described why I am introducing the debate. This is at least the fourth time that I have raised in the House the issue of home improvement agencies, either in their own right or as part of the supporting people strategy. I wish to add to what she said to explain why this is a crucial issue, even if it does not necessarily get as much publicity as it deserves and should receive.

Jane subsequently contacted me late last month to say what more she had found out. As she stated, she is very much in favour of our strategy, which is a good one. As I suggested, the Government are not much congratulated on it, but we should be proud of it. However, the problem is this: the strategy is right, but the money does not always go where it should to deliver on it. By the time Jane contacted me, she had found out in yet clearer terms that the private sector renewal grants will be greatly depleted from this year on, certainly until April 2010. That is why we need clarity from the Government.

I want to mention two things on the back of that. They are not in any way bad news, but we need further clarity. First, money is finding its way through to the handyperson scheme—I will say more about that when I speak more generally on the matter—but it is not always clear how it will be spent. That tends to rest with the county council. In two or three-tier local authorities such as ours, there is some inter-local authority rivalry over how the money will be spent.

Secondly, we have the disabled facilities grants. They are being increased by the Government, but it is not always clear how the money works its way through the system. Certainly, there is some time lag in the money being made available to home improvement agencies such as Care and Repair Stroud. Will the Minister tell us how we can give things a boost and get the money through the system more quickly?

On the more general situation and to put things in context, home improvement agencies work on older people's homes or houses owned by disabled people. To show how important they are, it is estimated that there are some 6.55 million properties in the private sector in the non-decent homes category, compared with only 1.14 million in the social rented sector. Privately-owned homes are twice as likely to have category 1 hazards compared with social housing. Some 2.5 million homes have at least one type of the fall hazards—we know them only too well—that bring many people into our hospitals, and 2.2 million have an excess cold hazard problem.

Virtually the only practical housing help available to disadvantaged home owners is the services offered by home improvement agencies. The importance and value of the agencies was emphasised by the Government in "Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society", so I take it as read that they see the agencies as an important part of the fabric of home improvements. They are not part of the decent homes standard, but they are the private sector equivalent. It is frightening but well known that the oldest people tend to live in some of the oldest property. That doubles what is a particularly acute problem.

Home improvement agencies give information and advice, and help around 240,000 people each year. They carry out 41,000 building jobs with a total value of around £90 million. A further 105,000 minor jobs are dealt with by the handyperson services. They undertake about half the work arising from disabled facilities grants, which works its way through via local authorities. Therefore, their future funding is of great significance. I hope that the debate enlightens people on that and that the Minister offers some clarity and reassurance.

We know that home improvement agencies have some weaknesses. They have grown up fairly haphazardly and are ad-hoc organisations, but they are the voluntary sector's response and, for all sorts of reasons, local authorities have found that they are the best way to pursue the work. Doubtless the Minister knows that I highlighted the role of home improvement agencies when I introduced a debate on the supporting people programme. One worry was whether the ring-fencing of moneys was to go. The ring fence is effectively over, so there is even more of a squeeze, as designed by local authorities. That brings problems in its wake.

The supporting people programme has traditionally accounted for 30 per cent. of the income of home improvement agencies, and housing authorities for 22 per cent. Social services, primary care trusts and fee income, as well as trade with other charities and private sector work, make up the rest. We look carefully at how funding operates. I have alluded to the problem with disabled facilities grants. It is not just a problem in Stroud; it is writ large. We need to ensure that the process operates more quickly and effectively.

Joan Walley: On the disabled facilities grants, does my hon. Friend agree that there is an urgent need for clearer guidance in respect of the Royal British Legion, so that they provide additionality rather than substitute for money that should be provided by Government grants in the first instance?

Mr. Drew: I agree. Where substitution of moneys occurs, it is important that there should be argument about what is new money and what is real money, and whether that is right.

Without denigrating the social rented sector, I will concentrate on the private sector. I may be pre-empting the Minister, but he will probably say that a lot of this is down to local discretion. I welcome local area agreements and how the grant regime could evolve satisfactorily to deal with local targets and priorities, but the process is in its infancy and it is not clear how older people will come out of it. It is clear from all the evidence of Care and Repair England that local area agreements have not necessarily prioritised older people's housing and services.

The Audit Commission review of the comprehensive area assessment is not uncritical of some of the work done and the moneys spent, but it states that, at best, a single comprehensive area assessment can provide only a snapshot of what is happening and what services are being delivered. More monitoring and measurement are needed to ensure that the moneys that come through local authorities, whether from central Government or complemented in other ways, are being spent wisely and effectively. As my hon. Friend said, that will affect organisations such as the Royal British Legion and how we consider disabled facilities grants.

I know that there is a belief that there are other pots of money out there, particularly in equity release. I have never been against that, but I will say that it is a bit like "over the rainbow"; it is never quite there. It is difficult to persuade people to get involved in equity release, particularly in their later years. It is a form of financial opportunity, but it is also quite complex, and we need to be clear that it is not the answer in itself, only a supplement. Anything that could be done to work through those ideas would be helpful.

[Mr. Drew]

Many contracts now seem to be offered on a short-term basis—for a year rather than three years. Again, that is contrary to Government policy, which is to have a three-year mechanism. I hope that the Minister will address that by saying that there are benefits to ensuring that home improvement agencies have some guarantee that they will be funded over longer periods. That would give people such as me who sit on the boards of Care and Repair organisations some security that there will be money in future. This is a pretty tough year for all the reasons that we know about, but we could see it through if we had some knowledge of where we were going in future.

I hope that the Minister will mention the following actions. Although we accept that local discretion is important, some overall targeting nationally is important, because the problem is national, not local, and the Government should recognise how big it is. They should also recognise that the Audit Commission needs to be encouraged to consider specifically how the comprehensive area assessments can ensure that private sector housing needs are being addressed and that the money is being properly spent, audited and accounted for.

The current strategy should be considered. It is very good, but we should ensure that it is being delivered. That is why the Department for Communities and Local Government is so important. It should look to its successes and talk about them, but it should also ensure that it can defend them in future. As we move away from the ring-fencing of the supporting people programme to area-based grants, we should ensure that that does not mean that it has a weaker part in the structure or that housing and care are denied the appropriate funding.

Penultimately, with the changes in the controls on the disabled facilities grant, it is crucial that the Government monitor how the money is reaching the people whom it should reach and demand that improvements be made. After all, we have put more money in, as well as into the handyperson service. We should ensure that the strategy delivers on the ground.

Lastly, can the Government find more money for this vital issue? If they restored some of the cuts that were made, organisations such as Care and Repair Stroud, of which I am immensely proud, could respond quickly. Its greatest asset is how responsive it is in dealing with customers' individual needs. It is also responsive to funding changes. It has had to be. It has been the bane of our life that the strategy has changed virtually every year, along with the funding coming through. We are prepared to recognise and deal with that, provided that resources come through.

As the Minister knows only too well, we have grown this area enormously during our time in office. It would be a tragedy to go backwards, because it hits all the right buttons: energy efficiency, fuel poverty and the care needs of vulnerable people, whether they are older or disabled.

4.17 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): It is a pleasure to serve under your chairmanship, Miss Begg. I congratulate my hon. Friend the Member for Stroud (Mr. Drew) on securing this important debate. I pay tribute to him in general terms for his firm yet charming tenacity in ensuring that housing issues are at the very top of the political agenda, especially community land trusts, on which he has been a leading champion in driving through the agenda. I also pay tribute to him specifically for his work with Care and Repair Stroud, with which I believe he has been involved for close on a quarter of a century.

As my hon. Friend made clear, home improvement agencies help home owners and private sector tenants who are older, disabled or on low incomes to repair, maintain or adapt their homes. They are extremely valuable assets in the local community and play an increasingly important role in helping local authorities to ensure that people continue to live in their own homes in comfort, safety, security and independence.

My hon. Friend made a balanced contribution in which he recognised that the Government have played an important role in developing the sector since 1997. Over the past decade, the sector has undergone substantial growth and restructuring. In 1999, only 54 per cent. of local authorities had a home improvement agency; by 2001, that number had risen to 69 per cent.

As a means of building additional capacity and potential in the sector, my Department invested £5.2 million over two years from 2003. Subsequently, there has been a huge growth in the use of home improvement agencies. Today, about 90 per cent. of local authorities have a home improvement agency, a huge leap from only a few years ago. As well as an increase in the number of agencies, we have also seen a general improvement in the quality of governance. Agencies are now, on average, larger, more robust and financially viable organisations that offer a greater, more diverse and, to use my hon. Friend's phrase, more responsive range of housing-related support services to older, disabled and vulnerable people.

I have mentioned funding, which was the key theme of my hon. Friend's contribution. As I have made clear in answers to parliamentary questions that he has tabled, my Department does not fund home improvement agencies directly, but provides money via a number of funding streams that have been mentioned, such as the supporting people and disabled facilities grants, which are available to local authorities and can be used to fund and deliver home improvement agency services. I shall say a little about both of those important schemes.

The supporting people programme has provided unprecedented sums of money to allow local authorities to invest in local services for vulnerable people. As my hon. Friend has said, about 30 per cent. of revenue funding for home improvement agencies across the country is derived from the supporting people grant. The Government have provided about £8.7 billion to local authorities through the supporting people programme since it began in 2003. That has helped about 800,000 people a year, particularly older people, through a range of services, including home improvement agencies.

In December 2007, my Department announced a three-year allocation of £4.9 billion, for the period to 2011, for the supporting people programme. My hon. Friend mentioned short-term, annual funding allocations, and made the point that multi-year agreements, which are usually over three years in the local authority sector, are very important. They provide the stability and greater certainty that allows local authorities and related

organisations, such as home improvement agencies, to build on previous successes, to plan improved service delivery and to consider greater efficiencies over the following three years. Departmental data show that supporting people funding for home improvement agencies has increased from about £15.5 million in 2006-07 to more than £17.5 million in 2007-08.

My hon. Friend rightly touched on the removal of the supporting people ring fence, which is important in the wider context of the Government policy of allowing local authorities more freedom and flexibility to shape policies according to local circumstances and priorities. Such a policy provides local authorities with an opportunity to develop new and innovative ways of supporting vulnerable people in a range of situations, including, if they so wish, the delivery of more holistic and needs-based services for older people by home improvement agencies. That is important. There will always be tension between the requirements and objectives of Government and the priorities of local government, but the general thrust of Government policy is right. Local authorities should be allowed that freedom and flexibility to determine what is provided locally on the ground.

The disabled facilities grant provides more than half of all capital funding for works carried out by home improvement agencies and is a considerable source of fee income for those organisations. The grant has been hugely successful in funding the adaptation of people's homes according to their personal situation and has funded the installation of ramps, wider doors, stair lifts and appropriate bathing facilities. Approximately 38,000 households receive a disabled facilities grant each year. The Government recognise the success and importance of the programme and have increased funding accordingly. Indeed, funding has more than doubled from £57 million in 1997 to £146 million in 2008, and the budget will rise again to £166 million by 2010. Following a review, a package of changes that will modernise and improve the programme was announced in February last year. Those changes included raising the grant limit to £30,000, and improving and streamlining the administration and fairness of the means test, so that those in receipt of certain benefits are passported through to maximum assistance.

The grant programme is highly successful, as I have said, but its rules have been criticised for being too restrictive and because some people have waited far too long for adaptations. The Government are committed to maintaining the mandatory aspect of the grant, but we have now relaxed the rules on how grants are managed, giving local authorities the flexibility to develop smaller-scale, rapid-response adaptation services. The grant budget should not be seen as the sole source of funding, and local authorities are expected to contribute towards those costs, as they have always done.

Home improvement agencies also oversee repair and renovation work that is carried out using private sector renewal funding. I know that my hon. Friend is particularly concerned about that issue. That support is provided though a mixture of loans, grants and equity release schemes, as he said, and is a cross-governmental initiative. For example, the Department for Energy and Climate Change has the Warm Front grant programme. In total, about £1 billion is being made available to local authorities through the regional housing pot, in the period up to 2010-11, to help to improve housing conditions for the most vulnerable.

I should like to reassure my hon. Friend that my Department has provided about £10.2 billion, for the three-year period up to 2011, for regional housing capital programmes, including those that address the condition of private sector housing stock. There will be an element of concentrating on increasing housing supply, to which I know he is particularly committed, but the points made today are important: during a recession, when house building has slowed and we want to retain the skills capacity within industry, it is vital to retrofit properties, to ensure that we have appropriate housing stock and to improve its energy efficiency. I hope that funding will be provided to allow that to happen on the ground, as the Government have provided funding, having committed about £2 billion for direct improvements to and regeneration of existing housing stock.

We have recently issued guidance to regional assemblies on this matter, which states that they should continue to prioritise those households that are most in need, with the expectation that packages of assistance, which may include grants, loans and equity release schemes, should be made available to them. My hon. Friend will have expected me to say this, and he has pre-empted my comments to some extent, but local authorities have wide powers to provide tailored packages of assistance to owners and tenants for home repairs and improvements through the regulatory reform order. In addition, my Department wrote to all local housing authorities, in November, to remind them of their statutory duties under the housing health and safety rating system and what more they could do to tackle excess cold and climate change issues through their enforcement powers. I remind my hon. Friend that funding is not limited to the regional housing pot and should be drawn from Warm Front and other energy efficiency schemes to provide those tailored packages of support for vulnerable households.

Mr. Drew: The problem is that local authorities will argue that they are meeting their statutory responsibilities. It is the non-statutory areas in which they could make an enormous difference. The handy person scheme, for example, saves enormous sums of money by ensuring that jobs such as changing plugs, which older people cannot do for themselves, are done. That is the sort of area in which we ought to get a clearer, faster form of delivery.

Mr. Wright: I have two things to say on that. My hon. Friend is absolutely right about the handy person scheme, for which we have provided £33 million. It can make an enormous difference because someone can knock on the door of Mrs. Smith or Mr. Bloggs to see whether they are okay and to change a plug. That £33 million will provide enormous savings and will allow people to stay in their homes. That is hugely important.

We fully recognise that local authorities are finding it difficult, in the current economic climate, to balance improved service delivery with efficiencies and appropriate staffing levels, but local authorities can act as a catalyst for economic development and regeneration and can help to stimulate local economic conditions. The approach of making sure that home improvement agencies have

[Mr. Iain Wright]

appropriate funding is a good example of how local authorities can stimulate economic activity and ensure that homes are retrofitted to provide the services that vulnerable people in particular need and desire.

I thank my hon. Friend for securing the debate. I believe that home improvement agencies have a pivotal role to play in helping to adapt our housing stock to the needs of an older society and a society that is retrofitting measures to mitigate climate change. How home improvement agencies are used should be, and is, a matter for local people. However, as I hope that I have demonstrated, the Government have provided substantial resources for this and have given local government the freedom and flexibility to help home improvement agencies to achieve their objectives for older and more vulnerable people locally.

Dunfermline Building Society

4.30 pm

Willie Rennie (Dunfermline and West Fife) (LD): This is an opportune debate, which I sought last week before the news broke at the weekend about the future of the Dunfermline building society. Mainly, it has been a black week for Dunfermline. After 140 years of trusted service to the community, the Dunfermline is no longer an independent Scottish mutual. It has been a friend to many and has been safe and sure. This week, there have been tears, confusion and, most of all, anger that such a fine institution has come to this.

For the record, I wish to declare that I am a member of the Dunfermline building society; it is an organisation that my family and I have trusted for a number of years. The break-up of the Dunfermline is another clear example of the failure of the regulatory system. We need some clear answers to why the so-called reckless behaviour was allowed to go unchallenged by the regulator for so long. Why was the Dunfermline allowed to ramp up its commercial loan book from approximately £270 million at the end of 2007 to more than £650 million in early 2008 when the property implosion was plain for all to see?

We should remember that, in early 2008, several months had passed since the problems of Northern Rock, Freddie Mac, Fannie Mae, Lehman Brothers and others. How could this have been allowed to happen? I understand that the Financial Services Authority was well aware that building societies—not just the Dunfermline—had adopted a change of strategy to a more risky business model. That change of strategy was openly discussed, yet effective permission was given for the Dunfermline to proceed. The FSA knew about the loan books that had been bought from GMAC-RFC and that they had been sold as a full status when, in fact, they were risky self-certification loans. What was the FSA's response? No action was taken against GMAC-RFC and there was no direct intervention at the Dunfermline. The only action taken was a round-robin letter sent to all the building society chief executives about their due diligence responsibilities. That is a completely inadequate response, which allowed the society to continue its road to ruin.

At the Dunfermline, it is my understanding that the due diligence stress tests and professional assessments of the proposals to buy a range of loan books from GMAC-RFC and others were overruled. Why was that not also identified by the FSA? Before the old building society regulator was subsumed into the FSA, it had a special focus on building societies. If that structure had remained, we might not be facing the situation that we have today. Bringing two different cultures together under one organisation led to a common set of values and standards that do not reflect the different priorities and culture of the banks on the one hand and building societies on the other. Will the Minister tell me what lessons have been learned in the Treasury, the Bank of England and the FSA about this episode?

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): On Sunday, the perhaps now former chairman of the Dunfermline building society was asked whether he thought that the Treasury was guilty of sacrificing the

Dunfermline. He said that he felt that the Treasury had sacrificed it. As the Member for Dunfermline, is that also the hon. Gentleman's view?

Willie Rennie: The issue is covered in fog. Jim Foulds was very emotional on Sunday, and he obviously felt strongly about the society. I had an initial fear that a barrier to getting the necessary deal would be the fact that the Prime Minister lives in Fife and has a seeming attraction and closeness to the society. I also feared that setting a precedent of that nature might be a disadvantage to the Government if there are difficulties with other building societies. I have since had discussions with the Government and many others, and although I think that an awful lot was done to try to save the society, it was not sufficient. However, we will leave the issue of whether the society was sacrificed to the academics and historians.

Will the Minister say whether there has been an investigation into this episode within the FSA? In addition, have all the mistakes that were clearly made with the Dunfermline building society been highlighted and lessons learned so that the culture changes? I am sure that this is not the only episode from which the FSA has had to learn, but it is essential that the lessons are learned. I also want to know what changes will be introduced and if any changes have been agreed so far?

I was grateful to the Chancellor for giving a statement on Monday. I was pleased because it allowed the House to express its views and concerns about the decision. The Chancellor's tone and approach on Monday was much appreciated; it was sensitive to the staff, Fife and Scotland as a whole. I was appreciative of that, but there are still a number of outstanding questions. On Sunday, the Secretary of State for Scotland said:

"But also by some reckless decisions by previous management because of over-exposure to commercial loans, involvement in the subprime mortgage market in the US and really bad decisions on their technology."

However, it is my understanding that the mortgage book was not from the United States. I would appreciate clarification on that because it has upset many in the society who believe that that is a complete misrepresentation of the facts. The Chancellor did not refer to that matter clearly in his statement on Monday, so I would like the Minister to state clearly that there was no involvement in the American markets at all.

Mr. MacNeil: I also saw that interview and part of the answer that the Secretary of State gave was perhaps a first for a Cabinet Minister in that he said there was sub-prime in the English market. If I have understood what the Prime Minister has been saying, sub-prime is an American problem. Is that the first time there has been an admission by a member of Cabinet that sub-prime is also an English problem or, as the Secretary of State put it, a UK problem?

Willie Rennie: There are different definitions. I understand that they use sub-prime in the States but that there are subordinate, unsecured mortgages in the UK. I do not know if that statement is necessarily new, but perhaps the Minister can clarify that.

In the Chamber on Monday, the Scottish National party spokesman compared the £1.6 billion of net financing provided to the Nationwide with the suggested £60 million for capitalising the Dunfermline. I understand that that is not comparing like with like and that they are different sums, so it is not appropriate to compare them, but does the Minister believe that the Nationwide deal will be more or less expensive than the proposed deal for the Dunfermline? Alternatively, have other factors come into play, such as issues about stability and other matters? We were led to believe that it would have been more expensive to do the Dunfermline deal, but I am not absolutely sure that that is the case. Will the Minister clarify whether it is?

The break up of the Dunfermline will result in some call on the Financial Services Compensation Scheme. Will the Minister say what the estimated cost of that will be because building societies and banks will find such a burden difficult to bear at this difficult time? If the Minister can come up with a figure at this stage, exactly how much does he think it will be?

Finally, the Chancellor said that it was clear that the Dunfermline could not have survived. However, if it was clear, why did it take six months to reach that conclusion? I do not think that the decision was that clear and if it was, it should have been identified six months ago. Was there a resource issue? Was the FSA finding it difficult to cope with the multitude of problems that it had in the autumn of last year when problems were first raised by the Dunfermline? If the resources were available at that time, could we have reached a resolution that would have meant that the Dunfermline remained an independent Scottish mutual, which I believe was the ultimate goal in relation to all the issues that were going around?

I also wish to raise a couple of issues that I mentioned in the debate on the decision. First, Dunfermline had to pay around £7.2 million towards the Financial Services Compensation Scheme as a result of Bradford & Bradford, the Icelandic banks and the London Scottish Bank. That put extra pressure on the society at a time when it did not need it. Two weeks ago, I raised that issue in this Chamber—in fact, I was in this very chair—when the Economic Secretary to the Treasury responded.

There needs to be a review of the scheme, because it puts a huge burden on societies that are supposedly relatively safe. There is not an appropriate balance between risk and value. Contributions are based on the deposit book rather than the risk that an organisation poses. I would like the Minister to commit to having a review. I know that the Government are looking at issues around that, but I would like a proper review with a proper deadline, so that we can draw a line under the matter and have a system that is fairer to building societies.

The second issue is excessive capital requirements, which I understand put an extra burden of an estimated £30 million on the society at a time when it needed ultimate flexibility. Lord Turner of the FSA recently recommended that we should have a more flexible approach, and that the capital requirement should be reduced from 7 per cent. to 4 per cent. during times of economic difficulty, but he did not practise what he preached. It was 8 per cent., which put an unnecessary straitjacket on the Dunfermline building society at a time of difficulty. I would like to know whether the Minister will adopt Lord Turner's suggestion.

[Willie Rennie]

For all those reasons, I believe that it was incumbent on the Government to save the society, which they failed to do. I have heard all the explanations, but the reality is that the Government presided over the demise of Scotland's largest building society on their watch. They will have to live with that, and they will have to explain it to the people in Fife, Dunfermline and, more widely, Scotland.

Until now, my focus has been on the Government. I have tried to squeeze every last penny and concession out of them to get a good deal for the society and to keep it an independent Scottish mutual, but, ultimately, that failed. I could stand here and berate the Government all afternoon, but that would not move us any further forward or change the facts. However, I do want the Government to learn the lessons from this episode, because they are important.

If it had to be anybody, I am pleased that it is the Nationwide that is taking over. It has a proud, strong reputation for recognising value and quality brands. I am heartened to know that it has kept the Derbyshire and Cheshire brands, and their separate headquarters and branches, which is good. I was also pleased to hear the hon. Member for Macclesfield (Sir Nicholas Winterton) say in the Chamber on Monday that, increasingly, the Nationwide is seen as a lifesaver. He has had a positive experience, and I hope that we do as well.

I have had positive discussions with the Nationwide this week and have agreed to assist as much as possible in its transition into Dunfermline. Dunfermline and Rosyth are mini-centres of finance. They have an expertise that I am sure the Nationwide will find extremely valuable. HBOS, Lloyds TSB and Intelligent Finance are in Dunfermline, with about 2,800 jobs. The Nationwide will find it a good place to do business, and I will work with it as much as I can to ensure that it is able to grow and prosper.

However, I have several questions about the immediate future. The first is about the pension scheme, which was transferred to the Treasury when the society went into administration. There is concern among the approximately 150 employees of the Dunfermline, now the Nationwide, about the final salary scheme. They want to know whether the payments will be honoured. I understand that the Bradford & Bingley used the Pension Protection Fund to guarantee payments. Will it be the same for the Dunfermline? An early decision and announcement on that would be good for the confidence of the employees, who have been through a difficult time.

Secondly, the society recently announced that it was committed to another £30 million in social housing schemes across Scotland in places such as Fort William, Glasgow, Stirlingshire and beyond. It has a great tradition and a reputation for social housing in Scotland, which I would like to see continue, but the social housing fund has been put into DBS Bridge Bank Ltd, which is under the control of the Bank of England.

I would like to know what will happen to the fund. Will it be put back into the Nationwide-Dunfermline fold? That is where it should be. Others have suggested that perhaps we could create a separate Scottish social housing bank, but I am not sure whether that would be viable. I would like the Minister to consider having a meeting with me and representatives of the social housing sector in Scotland, so that we can explore the issues.

I wish to thank Jim Willens, the chief executive of the Dunfermline building society since December, for his sterling efforts to try to save the Dunfermline as an independent mutual. His valiant effort ultimately failed, but I thank him none the less. He did a tremendous job.

I also wish to praise the hundreds of members of staff at the Dunfermline for their service to the society. Some have served for many years. They are not to blame for this episode—they have been let down. People are angry, confused and depressed about the Dunfermline. They know that some serious errors of judgment were committed in the society. Yes, the Government contributed to the difficulties, but the employees know that mistakes were made at the top of their society by people who must bear responsibility, along with the Government.

People want answers, but I have absolutely no desire to have a crude witch hunt. That is not our style in Dunfermline; it is not how we do things. However, members, staff and the community want to understand what happened. They want to know how such a fine institution for 140 years could be wrecked in a few months. They want to understand why reckless decision making caused that to happen. I urge those who were responsible—those who were in charge—to step forward, explain and apologise. We will treat them with respect and we will listen but we ask them please to accept that request. The society of 140 years deserves it.

4.46 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): I congratulate the hon. Member for Dunfermline and West Fife (Willie Rennie) on securing this important debate and on the work that he has done on behalf of his constituents in pursuing the matter over recent months.

I agree with the hon. Gentleman: it is sad that an institution such as the Dunfermline building society, with a distinguished history and a record of good service to its local community over such a long period, came to an untimely end in a way that no one would have wished—although, as he said, the identity of the society will continue.

My right hon. Friend the Chancellor made it clear when he spoke in the House on Monday that the Government are well aware of the high regard that local people have had for the institution. It is a substantial business, as the hon. Gentleman said. It has 34 branches, some 500 employees and around 300,000 members, making it the 12th largest building society in Britain.

The decision to transfer the main business of the society to the Nationwide was made to protect depositors and to safeguard financial stability more widely, as well as to protect the interests of the taxpayer. The decision was necessary because of a deterioration in the society's financial position in the past few months. On Saturday, the Financial Services Authority had to take the decision that the Dunfermline building society was likely to fail to meet the conditions laid down in the Financial Services and Markets Act 2000, which would permit it to remain open for business, and that it was not reasonably likely that action could be taken by the society to enable it to satisfy those conditions.

The situation arose for several reasons, but there were three particularly significant ones. First, the management of the society decided to go into large-scale commercial lending—more than £650 million at the top of the market in 2005 and 2006. Many of those loans are now not being repaid.

Willie Rennie: Will the Minister answer the question about whether those were American mortgages?

Mr. Timms: I am coming to that point. The second factor was that the management decided to acquire more than £150 million-worth of high-risk UK mortgages from subsidiaries of two American companies, GMAC and Lehman Brothers, just before the global market for such loans collapsed. There is a significant US dimension, but the mortgages themselves were with UK borrowers.

Thirdly, last year, the society needed to write off £10 million from the purchase of an IT system for which it was charged £31 million. All those issues contributed to the society making an expected loss of more than £24 million last year.

Many people, the hon. Gentleman among them, have quite properly asked why it was not possible to rescue the society—why the Government could not inject more capital, perhaps with contributions from other building societies through the Building Societies Association. I assure him, the House and others that the idea was seriously considered, but the Financial Services Authority advised that a minimum of £60 million would be required just to allow the society to carry on trading and that that would not have provided a long-term solution. The judgment of the tripartite authorities was that, even with a £60 million injection, the society would have been very unlikely to have an independent long-term future; instead, we would have been back in this position, dealing with exactly the same problem, before too long.

Mr. MacNeil: I hear what the Minister says about the £60 million, but Jim Faulds, the chairman of Dunfermline building society, said in an interview on Sunday that that was the first time he had heard the figure, and he was critical of what he called "faceless mandarins" advising Ministers. He was critical also of the fact that he had been blue in the face for six months, trying to make some contract with the Treasury and the FSA. Does the Minister think that the Treasury could have been more proactive in discussions with the building society to find a way forward far earlier than March? The building society seems to have been looking for that way forward for quite a while.

Mr. Timms: I heard those remarks by Mr. Faulds and was puzzled by them. For example, he met my colleague the Financial Services Secretary on 13 February, together with the chief executive and the chairman of the Bank of England's audit committee, so there have been discussions with him and the society over a period. There was also a meeting with the society's former chief executive as early as last November. I do not quite understand the background to those comments.

If we had come forward, as suggested, with that figure, the society would not have been able to service or repay that amount of new capital. As my right hon. Friend the Chancellor said, the society

"has never made an annual profit of more than £6 million"—[*Official Report*, 30 March 2009; Vol. 490, c. 660.]—

not even in the good times of the past few years. That amount of profit would not have dealt with the commercial property loans and high-risk mortgages—some £800 million in total—that the society held. We needed to find a long-term solution to protect the interest of the society's members, above all, and to do the best that we could on employment in the society and on wider financial stability. The tripartite authorities concluded that the best way to do that was to transfer the core parts of the society to another building society—one, as the hon. Member for Dunfermline and West Fife rightly recognised, that has a good reputation and is widely respected. Those core parts include the Dunfermline's retail and wholesale deposits, its 34 branches, its head office and its residential mortgages.

Savers who are retail depositors with the Dunfermline and with the Nationwide, and some may have accounts with both, will continue to benefit from separate Financial Services Compensation Scheme limits—£50,000 per person per authorised entity. The brand, as the hon. Gentleman acknowledges, will be maintained, and assurances have been given that there will be no compulsory redundancies in branches for the next three years.

The social housing loans of Dunfermline's customers have been transferred temporarily to a bridge bank that is owned by the Bank of England.

4.54 pm

Sitting suspended for a Division in the House.

5.5 pm

On resuming—

Mr. Timms: I was just mentioning the DBS Bridge Bank, which is owned by the Bank of England, which will continue to provide support for the Dunfermline's social housing commitments while we talk to a number of other parties, including the Scottish Government, about securing a long-term future. The remainder of the Dunfermline's business, including commercial loans, high-risk mortgages and subordinated debt, has been put into administration under a new procedure that the Banking Act 2009 provides.

In line with previous resolutions of this kind where the retail deposits have been transferred in full, the assets to back them have been provided in the short term by the Treasury. An amount broadly equivalent to the capital reserves belonging to the Dunfermline's members is also being transferred, along with the rest of the business, and will support prime residential mortgage lending.

The Treasury will reclaim that from the proceeds realised from the assets placed in the administration and, if necessary, from the Financial Services Compensation Scheme, by requiring the scheme to make a contribution to the costs of resolution at the end of that process. Any contribution from the FSCS will be capped, under the requirements of the new provisions made by the Banking Act, at the compensation that the FSCS would otherwise have had to pay if the society had gone into default, less the recoveries that would then have been made from winding-up the society.

Although the final cost to the taxpayer will be significantly less than £1.6 billion, we obviously cannot be precise about the amount at this stage, but we are

[Mr. Timms]

clear that this option represented better value for money for the taxpayer than the other options on the table.

The hon. Member for Dunfermline and West Fife made the point forcefully that he feels more should have been done. Other hon. Members made similar points. Let me attempt to reassure him that a great deal was done. There has been a lot of contact with the society, as I have said, much of which was behind the scenes and most of the content of which was in discussions between the FSA and the Dunfermline.

The FSA is the society's regulator and the sole body that must decide whether the society met the threshold conditions laid down in the Financial Services and Markets Act 2000 and whether it could continue to be allowed to accept deposits. Among other things, the FSA commissioned an independent audit of the society's commercial book and subsequently of its strategic plan.

In discussions over recent months, the FSA has recognised that improvements need to be made in how things operate. I can tell the hon. Gentleman that we have asked the chairman of the FSA, Lord Turner, for a report on the Dunfermline. The FSA's chairman and chief executive have made it clear that a significant shift in regulatory approach is now required. The FSA will complete its supervisory enhancement programme to deliver that major shift, and as part of that, it is devoting more resources to supervising high-impact firms, particularly large, complex banks; taking a more intrusive, systematic approach to supervision; intensifying its role in bank balance sheet analysis and the oversight of accounting judgments; and increasing its willingness to challenge banks' judgments.

The hon. Gentleman pressed me about whether lessons would be learned. He may take some encouragement from the fact that the National Audit Office report published about a fortnight ago that covered some of our previous problems, starting with Northern Rock and Bradford & Bingley, made the point that lessons learned from the experience with Northern Rock were applied in the case of Bradford & Bingley. I hope that he will take encouragement from that that lessons for the future are being learned from these incidents.

Mr. MacNeil: I am grateful to the Minister for giving way; he has been generous. Does he believe that Dunfermline customers should be treated in the same way as existing Nationwide customers? For example, should they be able to access lower-rate mortgages of around 2.5 per cent. as opposed to 5.49 per cent., especially when the base rate is 0.5 per cent? Will there be parity of esteem and treatment for new Nationwide customers from the Dunfermline?

Mr. Timms: That is a matter for the Nationwide, and I am not aware of the commercial terms that it is offering to its new customers. We know that the Dunfermline brand will be kept separate, which is important because Dunfermline depositors will enjoy separate cover from the FSCS for their Dunfermline accounts, as well as for their Nationwide accounts if they have both. We certainly expect Nationwide to treat its new customers fairly, but precisely what terms it will offer to new customers is a matter for the Nationwide.

5.11 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Thursday 2 April 2009

[ANN WINTERTON *in the Chair*]

Investigating the Oceans

[Relevant documents: Tenth Report from the Science and Technology Committee, Session 2006-07, HC 470, and the Government's response, HC 506, Session 2007-08 (incorporating oral evidence taken by the Innovation, Universities, Science and Skills Committee, HC469-i).]

Motion made, and Question proposed, That the sitting be now adjourned.—*(Huw Irranca-Davies.)*

2.30 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): It may seem a little odd that a report published in October 2007 by a now defunct Select Committee is the focus of today's debate in this packed Westminster Hall Chamber. Indeed, when the former Science and Technology Committee announced its "Investigating the Oceans" inquiry in November 2006, we did not envisage that so little progress would be made on such an incredibly important area of science and Government policy. I am therefore delighted that today, some 18 months after the publication of our recommendations, we can seek a progress report from the Minister.

Although the Government understandably have a greater interest in what is happening in and around our coastal waters, the oceans are globally important. Indeed, there is growing understanding among scientists and Governments around the world that the oceans are critical to the ability of humans to live on earth. For the production of food, and for trade and security, the oceans have always been important, but they are increasingly seen as key players in the understanding and mitigation of climate change and as a potential future source of power.

The Science and Technology Committee decided to undertake the inquiry because there was a sense that the oceans were being taken for granted and that Government policy on the oceans was lacking. Events such as the 2004 tsunami and Hurricane Katrina in America highlighted the vulnerability of coastal regions and the need for greater understanding of marine science.

The inquiry built on previous work. The Committee had looked at carbon capture and storage—using the oceans for storing carbon in saline aquifers—and at how satellites were being used to co-ordinate environmental observation. We also looked at the House of Lords Science and Technology Committee report on marine science, which was the only major piece of work from Parliament to which we could refer, and which was done some 20 years earlier. The prodding and enthusiasm of the land-locked hon. Member for Bolton South-East (Dr. Iddon) led us to produce our research, which we thoroughly enjoyed doing. I am delighted that he is here today.

Our terms of reference were to examine the organisation and funding of UK marine science in the polar and non-polar regions, the role played by the UK internationally, support for the provision and development of technology in marine science, the state of UK research and its skills base, the use of marine science of special scientific interest and how marine science is used to advance knowledge of climate change. It was a fairly wide brief.

We received evidence from 45 individuals and organisations and held six oral evidence sessions at Westminster. We began our inquiry with a public seminar at the National Marine Aquarium in Plymouth. We held informal discussions with many people during our visits to the Plymouth Marine Sciences Partnership, the National Oceanography Centre at Southampton and the British Antarctic Survey in Cambridge.

To gauge the international perspective, we visited the Massachusetts Institute of Technology in Boston; Woods Hole, the leading US marine science laboratory in Maine; the university of Rhode Island, which is involved with deep sea and deep ocean drilling; Washington, where we engaged with US Administration officials; and the National Oceanic and Atmospheric Administration. Finally, we visited Lisbon, to discuss with Portuguese Government officials their emerging marine strategy and joined up with the Natural Environment Research Council ship, the RRS James Cook, which was on its maiden voyage. It was good to see it in person.

It is fair to say that UK marine science is world class, but it is struggling to maintain its current strength, let alone capitalise on new opportunities. UK marine scientists are among the most highly skilled and highly prized in the world. Many are working in better-resourced and better-paid jobs in Japan, and particularly the United States, but, increasingly, we are losing our very best scientists to Germany, which is developing a major marine science facility. There is no strategy in the UK to replace, maintain or improve our skills base. Indeed, in places such as the Proudman laboratory in Liverpool, and in the facilities in Plymouth, Southampton and Newcastle and in Scotland, there is a struggle to get young scientists to enter this crucial field.

There is a lack of understanding in policy of the importance of the marine environment for ecosystems, biodiversity, bioresources, energy and climate change, and of the potential to exploit the marine environment commercially and sensitively other than for transport, fishing and leisure. The importance of long-term monitoring is not being adequately addressed and, most importantly, without significant investment, co-ordination and a coherent vision, UK marine science will inevitably fall behind the major players and the UK's chances of solving crucial problems will be drastically reduced.

Given our distinguished maritime history and the fact that Britain is an island nation, it would be incredibly sad if our scientific endeavour were to be marginalised at such a crucial time, so I shall now turn to some specific recommendations in our report on which we would like the Minister to comment. In 1986, the Lords Committee argued for the setting up of a co-ordinating body comprising all sectoral interests—public, private and university—to promote UK marine science interests. Instead, the Inter-Agency Committee on Marine Science and Technology, which was more narrowly focused, was set up. It brought together only Departments and the research councils.

The influence of IACMST can best be judged by the fact that no one within Government appeared to know or care to whom it reported. The IACMST believed that it reported to the then Office of Science and

[Mr. Phil Willis]

Innovation, but no formal report had been made for years and the OSI did not bother to attend plenary meetings. The Department for Environment, Food and Rural Affairs, to which OSI transferred responsibility, seemed equally uncertain of the relationship. Given that the Marine Foresight Panel, which had been set up by OSI and was taken over by the Department for Innovation, Universities and Skills, was disbanded—its recommendations were never implemented—it was imperative that a Government organisation carried out horizon scanning on oceans.

The Committee identified a need for a body with real clout to be at the heart of Government and recommended the formation of a marine agency. The Government agreed that the IACMST was not sufficient and accepted the need for better horizon scanning. However, they argued—they were perfectly right to do so—that an agency was not practical for a number of reasons. The Committee did not press that point when we met the Secretary of State. Rather than create an agency, the Government replaced the IACMST with the Marine Science Coordination Committee.

The Government said that the MSCC would

"bring together the principal public investors in marine science to tackle cross-Departmental issues".

That decision was taken in April 2008. It took three months for the first meeting of the newly formed MSCC to take place—in July 2008—and a further eight months before the second meeting, which took place on 13 March this year. Three weeks later, the minutes still have not been published. Given that the first objective of this new all-singing, all-dancing committee was to publish a marine strategy as a matter of urgency, we must ask the Minister why it took so long to form the MSCC, why it took so long for a second meeting to happen and why it will take until the end of 2009 to produce a marine strategy.

Graham Stringer (Manchester, Blackley) (Lab): The hon. Gentleman is being characteristically generous to the Government. The Government's response to recommendation 58(c) on the creation of a marine agency was disappointing. Does he share my suspicion that the real reason why the Government have not agreed to a marine agency is that there is still conflict between the producer industries represented by the old Ministry of Agriculture, Fisheries and Food, and the more strategic and scientific view coming from other parts of Government? That is the real reason why we do not have proper co-ordination and the agency that we recommended.

Mr. Willis: The hon. Gentleman speculates in that way. To be fair and to answer his question bluntly, I think that there is a lack of co-ordination of marine science activities across Government. The parcel is being passed among various Departments rather than being grasped. I will come to some of those issues. We have seen the same thing in a number of cases where it is not easy to compartmentalise the activity in question.

Although we would have preferred a marine agency—I maintain that point, and I am sure that the hon. Member for Bolton, South-East would also support it—we nevertheless looked forward to having a new committee. It had fewer letters than the previous one and was therefore easier to pronounce, and we thought that it would offer a more inclusive approach to co-ordinating the marine community. It is not just about Departments and the research community; the broader community that uses the oceans also needs to be included. That is what the House of Lords recommended 20 years ago.

Alas, the membership of the MSCC is a disappointing rehash of IACMST. Key bodies such as the Department for Transport, which clearly has an interest in the seas, the Foreign and Commonwealth Office, the Institute of Marine Engineering, Science and Technology and the Engineering and Physical Sciences Research Council are missing from the new body. The independent members who were such an important part of the original organisation—they always attended, and often kept it going—have been disbanded altogether. Indeed, the Northern Ireland and Welsh Assemblies seem to have been excluded too. Their seas and coastlines must have disappeared during the development of the new organisation.

There is no university or industry representation, and significant players such as the petrochemical giants, which have a massive interest in exploring the seas, have simply been excluded from the new committee. In other words, from a membership point of view, the MSCC is a watered-down rather than beefed-up IACMST. Although there may be sub-committees of other interested parties—I am sure the Minister will say that the Government consult those people in other ways—the fact is that they have absolutely no voice when decisions and recommendations are made. However, given that the committee has met only twice in 18 months, perhaps they are not missing a great deal.

How was the membership of MSCC decided? Was the broader marine community consulted? Was it the intention to reduce external and independent influence and give the Government more say in marine science strategy? If not, what was the rationale for removing independent advisers before making strategic decisions? How are the nations of the UK involved, particularly Northern Ireland and Wales? Why do the Government consider the views of universities and industry so unimportant to marine science, given that they are at the cutting edge of research and exploitation?

Such deficiencies suggest that the Government have missed the point of marine research. Not only is it very important for global challenges such as climate change, it brings together a range of critical economic factors such as fisheries, transport, energy, leisure and exploration. Surely a marine science strategy must consider all those things and more. It is not just a matter of seeing what Departments and research councils are doing. Can the membership realistically provide sufficient expertise across all these areas to develop a strategy that will stand the test of time?

We would like to know the Government's thinking on the collection and storage of long-term data sets, as we returned to that issue constantly, not only during this inquiry but during our inquiry into space, on which a huge amount of data is collected and stored. The Committee understands—we certainly understood it as the Science and Technology Committee—research councils' reluctance to fund data collection and storage, as their role deals with basic blue-skies research. However, a huge amount of work goes into collecting data from

a variety of sources, sometimes over decades. Marine science at Plymouth has collected data records that go back 60 years or more. Such data are of massive scientific interest, and are priceless. If we cannot continue to collect them and the data sets are not retained in an order that allows them to be interrogated, we will miss a huge opportunity.

However, there is a constant battle among various organisations to fund that vital activity. We recommended in our report that it should be co-ordinated by our proposed marine agency, which would have a separate budget to do so. However, the Government argued that that responsibility should remain with UKMMAS, the UK marine monitoring and assessment strategy. All these acronyms remind me of an episode of "Soap", if hon. Members remember that wonderful television series. The UKMMAS, which the Minister believes is the right organisation to deal with the co-ordination and collection of hugely important data sets, has no powers, no budget and no authority to engage in international programmes such as Argo floats or deep marine piling. It is an organisation with absolutely no influence in this hugely important issue.

What steps has the Minister taken to plug the £22 million funding gap identified to our Committee in 2007 by UKMMAS and cover the costs of basic monitoring and data collection? What steps has he taken for long-term storage, sharing and access to data sets? What assurances can he give us that UKMMAS is now engaging with the royal and commercial navies on data collection? It is an important issue, and I hope that he can give us some satisfaction on it later.

We recognise that the marine environment is hugely complex and international by nature. That is one reason why we called in our report for a ministerial champion for marine issues. This goes back to the point that the hon. Member for Manchester, Blackley (Graham Stringer) made earlier. Judging by the slow progress following our report, and despite the ongoing, lengthy passage of the Marine and Coastal Access Bill, there is not much ministerial enthusiasm in this area. In our report we said:

> "It is unacceptable that responsibility for the greatest geographical area in the UK (its seas) should be a minor part of a junior ministerial portfolio."

But that is exactly what it appears to be. I hope that the Minister will make me eat my words, and will demonstrate that he is going to be a champion of marine science. If he does, I will be the first to congratulate him as we leave the Chamber.

It would be useful to know from the Minister who is driving forward the marine agenda in Government, and when the marine strategy has been raised at Cabinet level or even at departmental level. Can he tell us a time when it was raised? Also, how many champions have there been in the past two years? I think that the Minister is the third one in his post. I contrast marine science with the rest of science, which has Lord Drayson as its champion, and a Cabinet Committee right at the heart of Government. Would it be better if marine science were part of Lord Drayson's responsibilities? Could he take up the cudgels for us within the Cabinet?

Moving to the promised UK marine science strategy, my Committee is pleased that the long-awaited Marine and Coastal Access Bill is passing through the House. We wholeheartedly share its objective to

> "ensure clean, healthy, safe, productive and biologically diverse oceans and seas, by putting in place better systems for delivering sustainable development of marine and coastal environment."

How could one not agree with that statement of fairly obvious things? However, the Bill's passage through Parliament is running parallel to the work of the new MSCC, which is designing a UK marine science strategy. Will the Minister explain how he intends to design a UK marine science strategy while the marine landscape, from a regulation point of view, is still in flux? Or does he know the outcome of those deliberations? Will he give an assurance that the marine science strategy will be completed by the end of 2009, and that parliamentary time will be allocated for its discussion?

Will the Minister also explain his thinking about the formation and location of the Maritime Management Organisation? The Government brochure on the MMO states that it will

> "deliver marine functions in the waters around England and in the UK offshore area (for matters that are not devolved)."

It will, in effect, be a maritime planning authority, and will therefore rely heavily on scientific input from specialist universities, laboratories and key private sector marine organisations.

The Government have committed, during and following other Committee inquiries, including our present inquiry into science and engineering policy, to grow centres of excellence to meet national strategic science needs. We are discussing this issue in our current inquiry. The Government say that they are committed to a concept of excellence, and that they will focus their investment according to excellence, not geography, which is why the diamond particle accelerator was built at Rutherford Appleton, rather than, say, Daresbury in the north-west. We fully expected that policy to apply to marine science, and that Plymouth or Southampton would be the favourite location for the new MMO. Plymouth houses a marine laboratory, the National Marine Aquarium and its university's marine institute, and would have provided a good base on which to build the new organisation. Equally, Southampton, in the same geographical region, boasts the National Oceanography Centre, and was an equally strong contender. Crucially, between Southampton and Plymouth, there is the critical mass of science needed to support a national centre of excellence. That is one of the key Government tests for national centres.

The MMO will want access to the best evidence and the best people if it is to be effective, and it would make sense to put it in a location that boasts the largest concentration of marine expertise in the UK. However, Newcastle had an empty building ready to be used, so that is where the MMO will go. That fishy decision raises a number of questions. What benefits, other than cost, does Newcastle have over Plymouth? What political factors came into play? Was the Minister's arm bent up his back as he made this decision? We, and the scientists at Plymouth and Southampton, would like to know why an empty shed in Newcastle won over their huge expertise. The legitimate interests of the marine science community appear, once again, to have been thwarted by political expediency. I hope the Minster will convince me that I am wrong.

There is much more in our report that could be discussed today, and I trust that other hon. Members will have the opportunity to raise other issues during the debate. Marine science continues to have strategic

[Mr. Willis]

significance for the UK. We have world class scientists and a world-class reputation, and I trust that the Minister will convince hon. Members today that he is a world-class champion and is worthy of their cause.

2.55 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): Yesterday, I chaired a two-day conference on HAIs, or hospital-acquired infections, and today I am suffering from a PAI—a parliamentary-acquired infection—so I apologise if I sound rather croaky. I hope that my voice does not give out.

I was born close to the sea and have always been fascinated by it and its exploration. I suppose that is why, when I was drawn 17th in the 2002 ballot for private Member's Bills, I chose to steer through the Bill that became the Marine Safety Act 2003. The Act plugged two loopholes in two important pieces of legislation, which followed a string of major shipping disasters and reports by the late Lord Donaldson. They concerned the avoidance of sea pollution and the putting out of fires on ships at sea. Today, Britain has the most comprehensive safety legislation, which allows the SOSREP—the Secretary of State's Representative—who is based in Southampton to keep ships and installations at sea as safe as possible, even in extremely inclement weather. Should they get into difficulty, the SOSREP can take immediate action to avoid casualties and/or pollution at sea.

Before the former Select Committee on Science and Technology embarked on the inquiry that we are debating, I believed that the co-ordination of all aspects of the use and exploitation of the sea to be piecemeal, with too many interested parties and organisations. I still believe that, and I think that the Government have missed a golden opportunity provided by the publication of our report and its recommendations.

The sea is important as a provider of food, and the sea bed can be and is exploited for its mineral wealth. We also use the sea for transport, and 95 per cent. of the UK's trade is seaborne, for passengers and freight alike. The sea is important for our defence, and we use the bottom of the sea for communications and for pipelines to transmit gas from the continent to our island. We also use the sea for our leisure exploits. Some 75 per cent. of the world's surface is covered by water, yet we know very little about the oceans and seas. Some 80 per cent. of biodiversity is found in the marine environment, but only 10 per cent. of the sea has been explored and, unbelievably, only about 5 per cent. of the species in the ocean have been identified.

The Government have recognised the importance of the sea in the Climate Change Act 2008 and the Marine and Coastal Access Bill, which is before Parliament. Carbon dioxide emissions are considered to be the major cause of global warming. Although I recognise the important role that carbon dioxide appears to play in global warming, my reasons for not wanting to burn fossil fuels to provide energy are not the usual ones. I am a chemist who recognises the importance of fossil fuels for future chemical supplies. The chemical industry used to depend on coal to supply its chemical building blocks, but, today, the industry is based on petroleum instead. In my view, it is a sin to burn fossil fuels to provide our electricity and transport needs, especially because the conversion of the energy in those fuels to provide heat and/or electricity is such an inefficient process. However, another worry is that 50 per cent. of the carbon dioxide that has been emitted since the industrial revolution has been absorbed by the sea, mainly in the form of carbonic acid. That is slowly destroying the carbonate cycle in the marine environment. Shellfish and coral are part of that cycle, so the dangers are obvious to us.

I am, therefore, pleased that, at the recent meeting of the Intergovernmental Panel on Climate Change in Copenhagen, the participants focused on acidification of the sea. As a result, the matter has been given much wider publicity in the world's media. There is no doubt that global warming is occurring—the evidence is there for all of us to see—but the causes of it are less clear than some people realise. Increased emissions of greenhouse gases have been blamed, but the problem is surely more complex than that. Molecular modelling has played an important role in predicting the course of global warming, but it can only provide useful information if all the factors that affect the climate are properly understood. At this stage, I do not believe that they are.

Not enough is known about the role of the sea in determining climate change. Sea-air interactions are very important because, for example, they determine cloud formation, and clouds are important because they protect the earth's landmasses from the full impact of the sun. In turn, the temperature of the seas affects the rate of evaporation from it, and that can be affected by the melting of the polar icecaps. The role of the Southern ocean, which cools 40 per cent. of the world's oceans, is increasingly becoming understood. The circulation of that ocean around the Antarctic landmass affects the flow of currents in the Atlantic, the Pacific and the Indian oceans. If all the Antarctic ice was to melt—that is, I hope, unlikely—seas levels would rise by a massive 60 m.

As we conduct this debate, we are reaching the end of one of the most intensive polar investigations ever carried out—the two-year International Polar Year. That has brought together people from 63 nations to intensify their study of the Antarctic and, fortunately, the Arctic regions as well. Britain is participating in 33 of those projects. I hope that, after the results of all those studies are brought together, we will have a better understanding of the importance of the polar regions in controlling our climate, particularly through the sea. Although the British Antarctic Survey has a strong presence in that region, the British presence is not so strong in the Arctic. The Scientific Committee on Antarctic Research co-ordinates research activities in the south, but there is an urgent need to reflect such co-ordination in the north.

The Scottish Association for Marine Science has a long history in the Arctic, as have Canada and Norway. There is an urgent need to understand how the melting of the Arctic ice-cap affects thermohaline circulation in the Atlantic. A doomsday scenario that is often quoted in the media is the possibility of a strong flow of ice-cold water switching off the Atlantic conveyor, otherwise known as the gulf stream. That would have a dramatic effect on the climate of Great Britain. The good news is that recent evidence suggests that that is, fortunately, highly unlikely to happen.

We know very little about the species that rely on the marine environment for their existence. I was surprised to see photographs recently of the hitherto unseen and extremely weird organisms that have emerged from underneath the Antarctic ice shelf as it melts and recedes. In 2007, the British Antarctic Survey published a fantastic booklet in which hundreds of new organisms were listed—some of them are very peculiar.

We probably know more about our coastal waters around Great Britain—especially where, as is the case around our shore, a continental shelf exists—than we do about the deep seas beyond the continental shelf. Deep-sea exploration has not been treated in such an urgent manner because it is obviously more difficult and costly to establish. However, when the Select Committee visited the Michigan Institute of Technology, the Woods Hole Oceanographic Institution and the university of Rhode Island in the United States of America, we were given fascinating insights into the investigation of the deep sea.

The big challenge has been to construct submersibles that will withstand the huge pressures at the bottom of the sea. I am sure that we all recall the fascinating photographs of the Titanic, which was sunk by an iceberg in the Atlantic ocean and involved a huge loss of life. What advancements made those photographs come to life? The answer was provided for us at MIT, where we were introduced to open-frame robotically controlled submersibles, which are, essentially, metal frames clamped together, through which the sea can flow. Clamped to the frames are motors that propel the vehicle in any direction, robotic arms that can pick up samples from 2 to 3 miles down in the ocean, waterproof cameras that are constructed to withstand the high pressures of sea water, and instruments that are contained in thick glass spheres which are clamped to the frame. The submersibles are attached to a mother ship by an umbilical cord. In the deepest of oceans, those mother ships can be suspended from a ship lying on the surface of the sea, so that the weight of the umbilical cord does not upset the balance of the operation.

At the university of Rhode Island we visited Professor Robert Ballard's team, which exploited that technology and took those beautiful photographs of the sunken Titanic from Woods Hole. Professor Robert Ballard's team conducts marine archaeology and, at the time of our visit, they were in the Aegean sea searching for ancient artefacts, which, using the robotic arms, they can lift off the bed of the ocean. They were also receiving TV signals from the mother ship in their education centre at the university, and they have established a programme that means they can beam out those signals to any school that is prepared to buy into the technology. Indeed, we could purchase that technology in Great Britain, if we could only get the money together and provide the organisation.

One of the innovations of that research group has been the production of extremely fine—cotton fine—light-weight optical cable, huge lengths of which are in a special drum that rolls it out and back in again without tangling the cable. That has allowed Ballard's group to take TV pictures in real time as they carry out operations at the bottom of any ocean. Lights are obviously clamped to the submersibles. Children all around America can now watch exploration of the sea in real time as it happens. That is amazing.

I first became interested in Bob Ballard's work at Woods Hole Oceanographic Institution when I was elected to Parliament in 1997. I joined the parliamentary all-party group that went to see the Derbyshire. The Derbyshire was a bulk carrier that sunk in a hurricane in the China sea as it was en route with a cargo of iron ore from Canada to Japan. All the crew and two wives were killed. I took an interest in the loss of that ship because all the crew were from Liverpool. The trade unions raised enough money to engage Ballard's team, which provided the former Department of the Environment, Transport and the Regions with photographs of the sunken and broken-up Derbyshire. The photographs were adequate enough to persuade the then Secretary of State, my right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott), to reopen the public inquiry that had criticised the ship's crew for sinking the Derbyshire. After that, the ship's crew of the Derbyshire were completely exonerated from any blame and the real cause of the sinking was revealed, thanks to the magnificent technology produced by the Ballard team.

I shall now turn to something that the hon. Member for Harrogate and Knaresborough (Mr. Willis), the Chairman of the Committee, mentioned; it is one of the reasons why I was keen to launch the inquiry. The report confirmed what I already believed: we are not co-ordinating the disparate number of organisations that operate in the marine and maritime policy area. As hon. Members have heard, unfortunately the Government did not accept that a new marine agency with powers to bring all our marine interests together under one roof, including fisheries interests, should be established. Our report suggested that DEFRA should be the lead Department co-ordinating all that work through a marine agency.

As we have heard, the Government accepted that the former cross-departmental mechanism for marine science management and co-ordination—the IACMST—had its weaknesses. In its place, they have now established the Marine Science Coordination Committee, but like our Committee's Chairman, I do not believe that they have given it the clout that our report called for to allow it to co-ordinate all the disparate activities that I want to mention.

One of the Government's objections to establishing a marine agency is that it is not feasible because of devolution. On page 2 of their response, they say:

> "The creation of a UK marine agency is not feasible given current developments related to devolution."

Yesterday, however, I received a briefing note on the new co-ordinating committee, which showed that all four parts of the United Kingdom are taking part in it. Perhaps the Minister can explain whether there has been a U-turn.

There has been confusion about whether we are talking about the co-ordination of all marine and maritime activity or just of the various research interests. It is still my view that we should be talking about the whole marine policy area. The Secretary of State for Environment, Food and Rural Affairs told the Committee that

> "it was not absolutely clear to me whether you were talking about a marine science agency or a marine science and maritime agency."

He reminded us that there would be a maritime Green Paper and that the Marine and Coastal Access Bill would establish a marine management organisation in

[Dr. Brian Iddon]

2010. When that new organisation is established, it will become part of the co-ordinating committee for marine policy that my hon. Friend the Minister has already set up.

The House of Lords Science and Technology Committee reached similar conclusions to ours way back in 1986. Out of its report came the Co-ordinating Committee on Marine Science and Technology, which was established in 1988. That committee produced a marine strategy, which, in 1991, led the Government to form the Inter-Agency Committee for Marine Science and Technology, bringing together representatives of Departments and agencies with an interest in this policy area, as well as a small number of representatives of individual interests. However, no private sector interests sat on the Committee to discuss marine science policy, but that was taken care of in a small way in May 2006, when the Institute of Marine Engineering, Science and Technology was invited to attend the meetings.

Our report covered the problems that the IACMST faced. There was confusion over departmental responsibility, although that has now been sorted out. The committee also lacked powers, which led to questions over its effectiveness, and I am not sure whether that problem has been overcome. Attendance at the committee's meetings, especially by representatives of some Departments, was also not good. During our inquiry, it was noticeable that, wherever we visited, marine scientists were totally unhappy with the previous arrangements. Of course, we cannot measure the effectiveness of the new arrangements, because they are being put in place so slowly.

In the past, those involved in marine policy tried to organise their affairs through a plethora of committees, all with different acronyms, and the Chairman of our Committee has referred to them. There then has to be organisation at a European and, beyond that, an international level, because the seas and oceans are obviously international.

On top of that, we have seven research councils, not all of which have an interest in this policy area. The Natural Environment Research Council has the greatest interest, but the Biotechnology and Biological Sciences Research Council, the Engineering and Physical Sciences Research Council and others among the seven councils also have an interest.

On top of that, NERC has seven institutes around the country: the National Oceanography Centre at Southampton, the Plymouth Marine Laboratory, the Marine Biological Association of the United Kingdom at Plymouth, the Proudman Oceanographic Laboratory at Liverpool, the Scottish Association for Marine Sciences at Dunstaffnage—I hope that I pronounced that right—the sea mammal research unit at St. Andrews and the Sir Alister Hardy Foundation for Ocean Science. This is an extremely complex area of policy, and I still believe that it needs better co-ordination than the Government are providing.

Graham Stringer: I agree with my hon. Friend's analysis, as I agree with that of the Committee Chairman. Does my hon. Friend agree that it is also important to spell out the consequences of the lack of co-ordination? One consequence is that there has been an inability to declare sites of special scientific interest, marine protected areas, marine nature reserves and special areas of conservation. Along with the Marine and Coastal Access Bill, which is going through the Commons, such things—particularly if they are assisted by means of a pilot area—would help to create marine preservation areas. Does he agree that we have not done very well at protecting such areas and that there may be dire consequences if we do not do better?

Dr. Iddon: I agree with my hon. Friend. I hope that the Marine and Coastal Access Bill will overcome some of those difficulties when it is enacted. The science could at least have been provided up front, but it has not been, and that, I think, is his point.

Back in 1986, the House of Lords report flagged up not only the lack of co-ordination in marine science policy but the shortage of money for research. Oceans 2025 is a NERC-funded research programme, which aims to deliver not only key strategic scientific goals in marine science research, but stability in the long-term monitoring of the oceans.

NERC, DEFRA, the fisheries laboratories, other agencies and conservation groups fund 370 programmes that monitor and observe changes in our oceans. The UK is also involved internationally in the Scientific Committee on Ocean Research, the Partnership for Observation of the Global Oceans, the global ocean ecosystem dynamics programme, the international geosphere-biosphere programme and the Argo project, which our Chairman mentioned. The Argo project is responsible for a global array of 3,000 free-floating profiling floats that measure the real-time temperature, salinity and upper-surface velocity of the oceans.

Satellites have made a huge contribution to the observation of the earth and the sea. They can, for example, measure wave heights quite accurately and they can keep ships out of trouble. If we had had such satellites when the Derbyshire was sailing the seven seas, it probably would not have sunk in a hurricane. A significant number of ships have been sunk because they took on green water in hurricane-like conditions or were overwhelmed and capsized by freak waves, the formation of which is still not properly understood. Satellite monitoring of the polar caps in the north and the south is also extremely important for monitoring global warming.

Tide gauges around the world help us to measure coastal sea levels. As part of my studies on this policy area, I visited the Proudman Oceanographic Laboratory in Liverpool—it is on the university of Liverpool site, but independent of the university. I was surprised to hear that Scotland is lifting ever so slightly out of the sea, while the south of the United Kingdom, and particularly the south-east, is dipping into the sea. Such tectonic plate shifts can be measured only by tidal gauge records. The Proudman Oceanographic Laboratory is also engaged in the long-term monitoring of the oceans worldwide and measures sea levels, coastal erosion and deposits of sediments. In addition, it works with the Met Office on flood forecasting.

The problem with the monitoring and observing the oceans is that they are very long term, and they do not involve basic research either. The question therefore arises as to who should be responsible for funding such work and interpreting the results. There is also the question, as our Chairman said, of where the records

should be kept. Funding for that kind of longitudinal study can be intermittent, and there are gaps in some of the records as a consequence. The UK provides £500 million per annum for terrestrial monitoring but only £36 million for marine monitoring. Argo funding, which the Met Office leads on, for example, is not secure. The marine agency that our report proposed, which was mentioned by the Chairman, could have been responsible for all such work. There have also been problems in accessing some of the data collected through that observation and monitoring. The national facility is the British Oceanographic Data Centre, which is in the Proudman Oceanographic Laboratory in Liverpool. The UK Marine Data and Information Partnership was formed in 2005 to build a framework that would allow data collected by any organisation worldwide to be available and managed in such a way that others can access it for their research purposes. Unfortunately, some organisations are reluctant to part with their data to be stored in that way and made readily available, because they keep going by selling the data they collect. Barriers are particularly high if researchers want to get access to data from the Ministry of Defence and, incidentally, the Crown estate, which stores a lot of data.

It is obvious from the breadth of my remarks, and particularly the number of national and international organisations and projects that I have mentioned, that this policy area is extremely complex, and in the opinion of the Select Committee, it is not working as effectively as it should be. That is why we recommended establishing the marine agency, to organise better all that work across the marine and maritime policy areas and to bring the many collaborations together in one place. I was interested to read about the new committee that will review organisations, committees and other bodies co-ordinating marine-related activities, with the aim of reducing the number of co-ordinating bodies. There are just too many, and we have not mentioned them all this afternoon. There is a plethora of organisations, and they are in silos and do not interact as well as they should.

Britain is ahead of the game in marine science and investigation. We have a proud record. The records of sea levels collected by the Proudman Oceanographic Laboratory by means of the tidal gauges that I mentioned are some of the oldest in the world, so that is somewhere people can go for such data. We must carry on collecting that information for use by future generations, so that they can see how the natural environment is changing, because we, who live in the natural environment, must adapt to those changes.

3.23 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): Welcome to the Chair, Lady Winterton. This is the first occasion on which I have had the opportunity to serve under your chairmanship in Westminster Hall and I look forward to many similar occasions in future.

I congratulate the Committee on an excellent piece of work in a field that is much under-observed and under-debated. I do not know the constituency boundaries of every hon. Member present, but I suspect that I may be the only one here who represents any ocean. I am fairly confident that I can lay claim to representing more ocean than anyone else in the House. That may be why the fickle finger of Whips Office fate turned towards me when a member of the Front-Bench team was sought to take part in the debate. Whatever the reason, I am delighted to be present for this excellent debate, although it is unfortunate that a wider range of right hon. and hon. Members has not been able to attend it.

My hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) introduced the debate by speaking about the global importance of the oceans. That is certainly understood in the island communities that I represent, which, historically, have been seagoing communities, because of continuing involvement in the fishing industry and in the merchant navy and Royal Navy, and because of more historic industries such as whaling. That was part of our past and it took people from Orkney and Shetland around the world as seagoing people.

My hon. Friend referred to the ocean as a possible source of power in the future and listed several different areas examined previously by his Committee with relevance to that. He neglected to mention the report of, I think, 2000, in which the Committee identified, quite correctly, the need for a single institute or body to drive on the development of renewable energy generation from wave and tidal power. I mention that in particular because, thanks to a fairly long and tortuous process, that report, having created the idea, led to the creation of the European Marine Energy Centre based in Stromness in Orkney.

I do not know whether the Committee is aware of what impact has been caused, but EMEC is a significant development facility for marine energy. It concentrates particularly on tidal and wave power, and acts effectively as a benchmarking institution, so that by regular examination and benchmarking a foundation can be created for commercial exploitation of wave and tidal power devices.

If the Committee is minded to revisit the issue, its members would be very welcome in Orkney. I do not know whether it is fully understood even there to what extent the Committee was responsible for the creation of that very important resource. Members may be aware that the world's first commercial wave power station, using the Pelamis device—the so-called sea snake—is to be established in Portugal. That was one of the first devices certified at the EMEC facility, and this is a case in which the initial discussions of the Committee had significant effect on the development of the renewable energy sector.

My hon. Friend also gave a formidable list of institutions, from as far apart as Lisbon and various parts of the United States, to which the Committee went to obtain evidence. I commend the members of the Committee for their dedication and application, which are evident from the quality of their report. They clearly have not spared themselves in their research.

The essential recurring theme of the report is the inability to co-ordinate Government actions in relation to the marine environment in general and marine science in particular. My hon. Friend laid out the history of the IACMST and the MSCC as a successor body. It has often appeared to me that there is no true ownership within Government of anything relating to maritime matters or to do with the sea generally, and that no one is prepared to take overall responsibility. The Minister has particular responsibilities as Minister for marine and fisheries matters—I often deal with him in connection

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with fisheries—and is assiduous in carrying them out. Others, doubtless in the Departments for Transport, for Environment and Rural Affairs, and of Energy and Climate Change, have their role to play as well, but there is not the ministerial champion for marine science that my hon. Friend spoke about. That not only affects our ability to approach the subject properly; for reasons that I shall come to, it risks diminishing the strategic interest that the United Kingdom could derive from a proper, coherent approach.

It is a matter of concern that the MSCC has still met only twice and that there is no coherent strategy in sight, although that was to be produced as a matter of urgency. The MSCC seems to be inadequate in its composition, and the lack of independent voices within it should be of particular concern.

I see wider resonances in our approach to matters relating to the sea. I have taken an interest in matters relating to oil pollution since I was first elected; we have had debates in this Chamber about them. I look at organisations such as the International Oil Pollution Compensation Funds, which is basically a fund that was set up by oil and shipping companies in recognition of the fact that somewhere in the world at some time there would be a major oil spill that would have to be cleaned up. The companies pay whatever they think necessary into the fund.

People in my constituency were certainly grateful for the existence of the IOPC Funds when the Braer ran aground, but we would much rather oil and shipping companies shipped oil around the world in reliable, good-quality vessels, thereby avoiding spill incidents. A more recent example is the Prestige, which was damaged off the north-west coast of Spain. That spill is an absolute blight on those coastal communities. In fact, it was the second time that that stretch of coast had been hit. The IOPC Funds will doubtless meet the cost of cleaning up the oil, but there is a psychological cost to a community that has been hit in such a way, and no compensation will ever repair that damage.

My hon. Friend asked several highly pertinent questions about the marine science strategy, and I hope that the Minister is in a position to answer them today. If not, a limited number of us are here today, and I believe that we would all appreciate a detailed answer in writing at a later stage.

The hon. Member for Bolton, South-East (Dr. Iddon) correctly drew our attention to the interaction of the oceans and climate change in general. That is something about which we know only the tip of the iceberg, to use a highly inappropriate metaphor. It is very much a developing field. From my interest in fishing over the years, I know that there have been significant changes to different fish stocks as a result of the cooling of the seas. There are different issues in respect of cod stocks in the North sea, for example. It was believed that much of the decline might be the result of cooling waters, because cod are known to be particularly affected by water temperature.

Part of the problem with marine science is that much of it is inexact. A more coherent and, dare I say it, occasionally better-funded approach would allow more informed and vigorous debate than has been apparent so far.

There are knock-on effects in the ecosystem. Every year, I visit the more-difficult-to-reach parts of my constituency. I remember a couple of years ago being shown on Foula in Shetland the sea bird cliffs, which as recently as my first election were full of sea birds, but they were virtually empty. The reason for that is that the sea bird colonies have had several poor breeding seasons, and the reason for that has been the almost total disappearance of the sand eel population. That is something that you, Lady Winterton, have expressed your views on, as have I. It is the kind of thing that would not be allowed to happen if there were a coherent approach to the co-ordination of marine science.

That thought leads me to the second point made by the hon. Member for Bolton, South-East about co-ordination between marine science and other marine interests. He said that we had to be clear about whether we wanted the co-ordination of marine science, which is clearly important, or something more overarching.

As someone who was born in an island community and represents island communities, and has interacted with marine scientists in different ways over the years, my preference is for a more overarching approach. I am inherently suspicious of anything that seeks to divorce science from other things, put it in a box and pretend that it is somehow capable of separation from other aspects of everyday life. In fact, scientists themselves would benefit from the great deal of information and data that are held by other marine users.

The hon. Gentleman spoke about the need for co-ordination of marine science in the Arctic, and the Scottish Association for Marine Science and the world-famous laboratory at Dunstaffnage, near Oban. This is an area of increasing interest and, occasionally, of tension in dealings between Russia and Norway. For that reason, there is a strategic interest for the UK as a whole in getting its act together on marine science. If we are to be part of the discussion—because of our geography, we clearly need to be part of it—we must get our act together and bring together a coherent body of science so that we can make a meaningful contribution to the debate.

Dr. Iddon: Has the hon. Gentleman noticed that chairmanship of the MSCC will be shared with the Scottish Government?

Mr. Carmichael: I had not noticed that, but it takes me on to another point: the need for co-operation between Governments. As the hon. Gentleman said, part of the rationale in the Government's response was that recent developments in the devolved Administrations—I believe that is how it was gently put—were a barrier to setting up a UK-wide body. I do not doubt that that may well be the case, but it is exceptionally unfortunate if it is true, because this is an issue on which there clearly would be a benefit from UK-wide co-ordination.

The scientists working at the North Atlantic Fisheries college at Scalloway in Shetland, the marine laboratory in Aberdeen, the Dunstaffnage facility near Oban, and in Liverpool, Southampton, Portsmouth and Newcastle are all dealing with the same fish in the same sea. It makes no sense whatever to try to draw lines on a map in respect of this issue.

I do not know what the constitutional barrier is, but I do know that, in the interests of good science and good marine management, the problem should be capable of resolution. I cannot believe that there should be a tremendous ideological divide on the issue. Surely, it should be one of the least contentious questions in inter-governmental relations.

If there is a problem, I hope that cool heads might bring some influence to bear on it. There are many precedents for that. I remember the role of the Scottish Government on the Committee on Radioactive Waste Management. That was a UK-wide body, for obvious reasons, to which the previous Scottish Executive made a vigorous and valuable contribution. I suspect that what is lacking is political will, because, as is always the case with the oceans or anything to do with the marine environment, everything happens out of sight and very much out of mind. Only when there is some crisis is attention suddenly focused on the oceans, but it tends largely to dissipate thereafter.

The final point that the hon. Member for Bolton, South-East made, which vigorously attracted my attention, was about the role of Crown Estate data sharing. I suspect that, representing Bolton, South-East, the hon. Gentleman has not had much to do with the Crown Estate's marine division. If one represents Orkney and Shetland, one has rather more to do with it. Anyone who is bored might care to reflect on the contents of my maiden speech to the House, on this very subject.

The marine division is a tiny part of the Crown Estate; the real money comes from renting property on Regent street and elsewhere. However, the estate regards the marine division exactly as it regards Regent street—as a cash cow. It does not particularly care about science, certainly does not care much about the communities that depend on the seabed around them and does not much care about the industries, such as aquaculture and renewable energy, that also require the use of the seabed—other than as a potential source of income for the estate. If it does not share data, I suspect that that is because it has not been offered enough money.

I am afraid that I have a bleak view of the Crown Estate and its wider interests, because I do not think that it has any understanding of these issues. It is answerable, but through the Treasury. Perhaps therein lies the problem. If the estate's marine division, at least, were accountable more sensibly through DEFRA, or through the Department of Energy and Climate Change, which makes more sense than going through the Treasury, or even through the devolved Administrations, the estate would take a different approach. In the meantime, it remains answerable through the Treasury—in the loosest possible sense. Accountability is not something it prizes very highly; the estate regards accountability as important to other people.

This is an exceptionally important topic, not just for people who live in island and coastal communities, although it is especially important to us. I am delighted to have had the opportunity to take part in today's debate and very much look forward to the Minister's reply.

3.42 pm

Nick Herbert (Arundel and South Downs) (Con): I am pleased to have the opportunity to take part in today's debate. I congratulate—belatedly—the Committee on its report and particularly its Chairman, the hon. Member for Harrogate and Knaresborough (Mr. Willis), on the persuasive way in which he spoke to it today and has sought to draw the attention of the House to its conclusions.

We face an unprecedented crisis in the marine life in our seas and oceans. Research predicts that the world will run out of seafood species that it can fish by 2048 and that the associated loss of marine biodiversity will destroy the ocean's natural ability to adapt and self-repair. A strong science base is therefore essential if we are to respond to the challenges to our marine ecosystems.

It is possible to identify five key challenges to the marine environment. First, and perhaps the most significant, is climate change and its impact on sea levels. The world's oceans absorb more than one quarter of the carbon dioxide that the human race generates, and half of that is absorbed in the Southern ocean alone, so oceans and marine systems play a key role both in the debate that we must have about climate change, and in regulating climate systems. There is a danger that meltwater could interrupt the oceans' natural currents and a particular concern that the gulf stream could slow down or even shut down, meaning less heat for north-west Europe and, therefore, harsher winters.

The second key challenge is fishing in our seas and oceans. Some 70 to 80 per cent. of the world's marine fish stocks are fully exploited, over-exploited, depleted or recovering from depletion, and 15 of the world's 17 largest fisheries are so heavily exploited that their reproductive cycles cannot guarantee continued captures. Demand for fish next year is expected to reach 110 million tonnes, which will outstrip supply. The global crisis is mirrored in our waters. We need to reconnect fisheries domestically, in the European Union and internationally with environmental interests, to ensure that fishing can be conducted in a sustainable way.

The third challenge confronting the marine environment relates to its biodiversity. The hon. Member for Bolton, South-East (Dr. Iddon) said that 80 per cent. of the world's species are found in marine ecosystems, so in addition to the impact of fishing on other animal species, climate change has an impact on biodiversity. The warming of the oceans leads to increased acidity and severe damage to coral reefs. I was struck when I read the comments of Eric Schmidt, Google's chief executive, when he launched a new Google Earth service in February. Google's mapping has proved controversial in recent weeks, but one thing that Google Earth does do is allow users to explore the oceans as well as the land. Mr. Schmidt said:

> "In discussions about climate change, the world's oceans are often overlooked despite being an integral part of the issue. About one third of the carbon dioxide that we emit into the atmosphere ends up in the oceans. Furthermore, biodiversity loss in our oceans in the next 20-30 years will be roughly equivalent to losing an entire Amazon rainforest, but this goes unnoticed because we can't see it."

The fourth challenge that we must address is pollution. More than 80 per cent. of marine pollution comes from land-based activities; rivers and streams transport billions of tonnes of eroded sediment into coastal waters; ships discharge oil; there are chemical discharges; and waste, including littering, kills hundreds of thousands marine mammals, birds and countless fish.

[Nick Herbert]

Finally, an overlooked form of pollution is noise pollution, which has a particular impact on cetaceans. The International Fund for Animal Welfare has expressed great concern about that and would like us to address it in the Marine and Coastal Access Bill. That could be difficult, but these important and, in some cases, threatened species are greatly affected by sounds—man-made ocean noises—that shipping, military sonar and so on inject into the sea. It may prove extremely difficult to address those problems, but we must be aware of that other form of pollution.

Those are, by my reckoning, five considerable challenges to the marine environment. Hon. Members may very easily produce more, but they all add to the force of this conclusion by the Committee:

> "Marine science should therefore be at the heart of a national strategy and effort to find answers to the most topical questions with which humankind is faced."

In our debates on climate change inside and outside the House in recent years, its impact on the marine environment and the need to reform marine environmental management have probably not played as great a part in our consideration as changes affecting the land. Perhaps they should. The report, in part, aims to redress that balance.

Clearly, the central message of the report is about the importance of ensuring a strong science base, which we cannot divorce from funding. In their response to the Committee's report, the Government have produced a table on funding that suggests that there was a £15 million real-terms increase in Natural Environment Research Council expenditure relating to marine science between 2001-02 and 2006-07. It would be helpful if, in due course, the Government updated those figures and clarified whether the figures in that table are set out in real prices, because I do not think that they are; I think that they are cash prices, making it difficult to measure the real increases. If blue-skies funding, funding for exceptional items and capital funding are stripped out—this is on page 7 of the Government's response—there has not been a significant real-terms increase in marine science funding over the period, as the Government claim. I will happily stand corrected if they are real prices, but even if they are, if the items I have mentioned are stripped out; I do not think that there has been an increase.

The UK marine monitoring and assessment strategy identified a significant gap in monitoring systems of £20 million to £25 million. The Government describe those figures in their response as coarse estimates and say that more work needs to be done. Will the Minister update the House on the progress that the Government have made in securing their own estimates of the funding gap? All hon. Members are acutely aware of the economic downturn and of the pressures that will be placed on public funding, but in determining future budgets, it would be short-sighted to permit any erosion of the science base when the global challenges confronting us are so great. We Conservatives take care to avoid calling for unfunded public spending commitments, not least in the present economic climate, but it is right to emphasise the long-term importance of a science base in this country and to prioritise research, even within pressured budgets. We should like clarification on what we believe are the funding requirements in relation to the science base, on the current position and on what the future requirements and gaps may be.

Although the report is preoccupied with what the right arrangements should be—the hon. Member for Harrogate and Knaresborough was also preoccupied with that matter in his speech—I confess to being neither expert in, nor overly concerned about, the fairly arcane arguments about whether we have a Marine Science Coordination Committee or a marine agency. We want the Minister to say what the Government believe the right arrangements should be. I have no particular contribution to make on that, other than to ask what the relationship will be between the MSCC, which the Government would prefer to an agency, and the Marine Management Organisation to be set up under the Marine and Coastal Access Bill.

I understand that the MMO will have a place on the MSCC. To what extent should the science function be brought into the MMO and become integral to its operation? I should like to explore—perhaps the Minister will explore it, too—what the relationship between those two bodies should be, because a conservation duty, underpinned by strong science, should be central to the role of the MMO. Perhaps that will be so and the arrangement will work, but I should like to hear more from the Government about that.

What progress is the Marine and Coastal Access Bill making? There is strong support from all parties for that Bill, for which the Conservatives have been calling for some time, and no doubt it will reach the statute book. However, the Minister will know that there is increasing anxiety on the part of many conservation organisations about its slow progress. The Bill is still in Committee in the other place and will not get to Report stage there until early May. All sorts of controversial measures have been introduced in the other place that may be holding things up, but it would be helpful if the Minister gave reassurance, publicly, that the Government remain committed to the legislation and will ensure that it is not held up and does not meet some sort of untimely fate because of lack of progress. I am sure that that will not be so, but his giving a public reassurance would be helpful.

Will the Minister answer the fair question that has been raised about the decision on where to locate the MMO? We Conservatives have no objection to its location in Tyneside—no doubt there are good reason for that—but there is a great deal of concern about the basis of that decision and why Plymouth, with all its advantages, which have been set out by local people, was not chosen. Again, it would be helpful if the Minister explained that.

Finally, I should like to raise two wider questions that were covered by the Committee in its report. The first relates to education and awareness. The challenges are so fundamental that it is important that marine systems should be included in the message put out by schools, for example, which are focusing on climate change and imparting such messages to children. They should be borne in mind in our consideration of public awareness, which the Committee also mentioned. I wonder to what extent marine systems are part of the message.

Secondly, a related question, which was also asked by the Committee, is who leads on marine science in the Government? The Committee wanted there to be a Minister for Marine Science: is it the Minister here today?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies) *indicated assent.*

Nick Herbert: The Minister nods. The Select Committee will no doubt be encouraged to learn that. Is he confident that there is sufficient co-ordination and that DEFRA is able now to take a lead on these issues?

I hope that many of the questions that have been asked will be answered by the Marine and Coastal Access Bill. We still have plenty of opportunities to examine those questions further, by tabling probing or substantive amendments to the Bill, if necessary. We Conservatives are ready to do so if there are continuing concerns. We support the thrust of what the Committee said: these issues have been overlooked and there are fundamentally important organisational challenges. It is right that we should be debating them today.

3.59 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): Thank you, Mrs. Winterton, for your stewardship of this debate. In time-honoured tradition, I congratulate the hon. Member for Harrogate and Knaresborough (Mr. Willis) on securing it and on his excellent introduction. He pointed out my wide-ranging portfolio interests, all of which are significant, whether British waterways and canals, fisheries negotiations, national parks, and so on.

I come here today as marine champion, a role that was demanded in the report by what the hon. Gentleman referred to as a defunct Committee, but it is living on through its legacy, which is why we are here today. I shall explain how I intend to live up to that role of marine champion, and I hope that I am doing so. I shall try to avoid the necessity of writing to hon. Members by responding to as many points as possible, but if there are any issues that I do not address, I invite them to intervene as we have some time available.

I am encouraged that marine science continues to be a top priority for hon. Members, and I welcome this opportunity to revisit the excellent report "Investigating the Oceans", which the then Select Committee on Science and Technology produced, and the Government's response to it. It has been a year since my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs gave evidence to the Committee. He said that we would establish a UK Minister with responsibility for marine science, and I am here today in that capacity. In that role, I am chair of the ministerial marine science group, which oversees the new Marine Science Coordination Committee, as well as being the champion for marine science. I say that humbly and proudly. We have today touched on many of the issues, including fisheries, climate change, what the Maritime Management Organisation will do, marine planning and strategy across the seas, and our international obligations. All must be underpinned by the best available science, whether it is in England, Wales or Scotland, or internationally.

A week ago I spent two days with our Norwegian colleagues, which was illuminating because they face many challenges. They also rest on the gulf stream and face some of the same developmental challenges and changes in a multiplicity of use on the seas and in the marine environment. There is also an issue of sharing, not only the science, but the best knowledge of how to move forward. I will be working with the ministerial group to monitor delivery of the strategy, and to find solutions when problems and gaps are identified and require ministerial intervention to make progress. I may be a humble, junior Minister, but I come from part of the political world in south Wales with a pedigree for doggedness, determination—

Mr. Carmichael: And assiduousness.

Huw Irranca-Davies: I thank the hon. Gentleman for his use of the word "assiduousness". I will dig in and ensure that I fulfil that role determinedly. It is right that whether we are talking about the Marine and Coastal Access Bill, reform of the common fisheries policy, or our international and European obligations under habitats directives and so on, we must move ahead, as my hon. Friend the Member for Manchester, Blackley (Graham Stringer) said, with special areas of conservation, special protection areas and so on. That must be underpinned by the best available science and evidence, because that provides the basis on which to argue the pros and cons, and the way forward, and to obtain genuine ownership from all stakeholders on how to proceed on the marine environment.

At the start of the evidence to the Committee last year, my right hon. Friend the Secretary of State was very clear about the importance of marine science in helping us to understand the huge challenges facing society, such as climate change, and in providing evidence to shape policy responses. My new role as ministerial champion emphasises the continuing importance that we attach to marine science. A prime example of the importance of science to policy is underpinning initiatives that will be taken forward through the Marine and Coastal Access Bill.

I welcome the comments of the hon. Member for Arundel and South Downs (Nick Herbert) on that Bill, which has certainly taken longer in the other place than anticipated. I recognise that the other place has a scrutiny role, and we look forward to the Bill coming to this place to probe, strengthen and modify it, but we will not delay it unduly. It has had five, six or more years of pre-legislative scrutiny and we must put it on the statute book so that we can move on and put into place the sort of framework for the marine environment that we all want. We have spoken, and I have spoken to colleagues of the hon. Member for Orkney and Shetland (Mr. Carmichael) who will, I hope, lead for the Liberal Democrats, to see how we can jointly work together to scrutinise the Bill, but also to deliver it in a timely fashion so that the Marine Management Organisation is up and running, and so on. The Bill is in Committee in the other place, as hon. Members know. It has received considerable scrutiny and attention in the past 12 months, and it has helped to raise the profile of marine issues. In my role as a marine champion, marine science is important and the Bill shows our commitment.

We have stated that the Bill's implementation will need a significant amount of evidence based particularly on marine science, and I shall come to the MMO in a

[Huw Irranca-Davies]

moment. The marine strategy will help to deliver our vision for clean, safe, healthy and productive seas, and the MSCC will bring the available scientific evidence from across the UK together in a comprehensive body of evidence. I will flesh that out in a moment.

DEFRA is funding about £37 million of marine science research in 2009-10, which makes the UK not the largest, but one of the largest funders of marine science in Europe. We are providing more than £600,000 over 18 months for the Marine Science Coordination Committee secretariat, which shows how committed the Government are and how committed I am as the champion in this area. Mention has rightly been made of the quality of our expertise in marine science in the UK, and we must retain that.

The estimated number of people employed in marine science in the UK in 2000—I do not have more up-to-date figures—is about 2,200 researchers at the cutting edge of marine science in all its complex and different areas. We must identify gaps in the strategy, where there could be better co-ordination, and where there is overlapping so that we can make the best use of that research base most cost-effectively. I shall return to that.

I was delighted to announce that the home of the MMO will be Tyneside. I know that there were different views on where it should be located, and I know that some of those views strongly suggested Plymouth, Liverpool and elsewhere. I also know that the people involved in the academic and marine sectors in Newcastle were a little surprised at the suggestion, implicit or otherwise, that they may not have been the best for the job. Let me make clear the difference between the MMO and the marine science agency. Having stated our commitment to the strategy and the need to bring together and co-ordinate more effectively marine science which will underpin much of the MMO's work, it is critically a marine planning, implementation, enforcement and strategic body. It must make its decisions on the best available evidence, whether from the huge centres of excellence in Plymouth, in Liverpool, in Southampton, or—the hon. Member for Orkney and Shetland rightly made this point—in the centres of expertise in Scotland, Wales, Northern Ireland and elsewhere.

It is not critical that the MMO lives at the centre of the science, because the science is dispersed. I am sorry, but I forgot to mention the Government-funded Centre for Environment, Fisheries and Aquaculture Science and the Scottish equivalent. What is vital—this will be clear in the way in which the MMO and its shadow organisation leading up to it are set up—is that the MMO will be charged with building intricate links with the best science bases in the UK and, sometimes, elsewhere, so that its decisions are based on all the best science. Part of the strategy that we are taking forward alongside that is to ensure that all the academic institutions, commercial institutions and others are better co-ordinated to support it.

In a moment, I shall come to issues about the Crown estate, which were rightly raised, and about how we share experience and data.

Mr. Willis: May I say how welcome the Minister's thoughtful response is to the issues raised? I do not think that I or any other hon. Member cast aspersions on the quality of science on Tyneside. If we did, I humbly apologise. What we would like from the Minister is the reasons why Tyneside was chosen, rather than Plymouth, Liverpool or any other place. What were the special features of Tyneside, other than that it had buildings available?

Huw Irranca-Davies: I shall give a shorthand answer, although I give a full answer in what we placed in the Library. The full, independently led analysis, worked through every county council area and region in the UK, started from "anywhere" and then broke that down to focus on coastal areas and areas that had a mixture of expertise—not just marine science, but a marine base, stakeholder engagement and so on. It came up with six places and it concluded at that point that any one of the six, including Carrick, could be an ideal home for the MMO. When those involved in the analysis made visits subsequently, alongside KPMG, to investigate whether their desk-based research findings were correct, they found that they were, but the position of two places—Carrick and Tyneside—improved, for various reasons. One reason had to do with understanding the nature of the MMO—that it was a strategic, planning, multifaceted organisation involving enforcement, implementation of the Marine and Coastal Access Bill and so on, as well as marine science and very good stakeholder engagement, plus the other facets of access to Brussels and Strasbourg and around the rest of the UK, including to Scotland.

The decision did not have to do with an empty building. There were empty buildings elsewhere. There were other parts of the estate that we could have looked at. The fundamental question was, where would the MMO thrive? It could have worked in any of those places. People were disappointed in Lowestoft when the body did not go next to CEFAS. People were disappointed in Liverpool, where there is an excellent base of academic expertise. People were disappointed in Plymouth. However, all that expertise will continue to be critical to the base that we need to build in this country of good marine science.

My intention, which I know is shared by those people, is that we should lead the way in the UK. We need to lead the way in what we do on conservation and sustainability of the seas. We need to lead the way in marine science in terms of what we do on fisheries reform. Some of the best science on fisheries reform is coming out of Scotland as well as England. Deciding where to locate an organisation such as the MMO is always difficult. In some ways, it is like judging, at a larger level, a bonny baby contest. One parent will be very happy and many others completely disenchanted. We take that on the chin and now we need to move on. The fact that we have made the decision has been welcomed, and on we go. However, I thank the hon. Gentleman for giving me the opportunity to explain the rationale behind the decision.

There has been comment about whether the composition of the MSCC is adequate. Let me provide clarification. On the MSCC are senior representatives of DEFRA, the Department of Energy and Climate Change, the MOD, the DFT, the Department for Innovation, Universities and Skills, the Department for International Development, the devolved Administrations—I shall come to why this format is better than another format, such as an agency, involving those Ministers—the Met

Office, CEFAS, the UK Hydrographic Office, the Joint Nature Conservation Committee, the Environment Agency, Fisheries Research Services, NERC, the Agri-Food and Biosciences Institute and the Scottish Environment Protection Agency.

There is no problem with devolution. The MSCC is co-chaired by the marine directors from DEFRA and the Scottish Administration by agreement. It will also have in the near future three non-executive members with experience of marine science from the perspective of industry, academia and non-governmental organisations. We recognise the issues that have been raised; we are filling those gaps.

Dr. Iddon: One of the serious criticisms that we picked up in the inquiry was from the private sector, which did not feel that it had a voice in marine and maritime policy. Where can the private sector exert its influence now?

Huw Irranca-Davies: To clarify, one of those appointments, which we will be making shortly, and transparently, will be of a member representing the interests of industry, so that it will have a voice at the top table. The MSCC has senior representatives of the major marine science funding Departments, including the devolved Administrations, and the key marine science providers, so it has the right people to make things happen. It has clout, and shortly it will have even more clout. I have mentioned the external perspective that we will shortly be bringing to it.

Good progress is being made, although there is a curious dichotomy. There has been criticism of the slow speed at which the meetings have been pulled together and so on. At the same time, we are receiving some criticism about the pace at which things are happening. Why? Because to cover the range of stakeholders and everyone else out there who wants to be engaged in the process takes a fair degree of discussion and consultation. We are not having a 12-week consultation; we are having many head-to-head, one-to-one meetings. We are meeting representatives of individual institutions and organisations. We are doing it bit by bit. However, I take the message from today's contributions—I am aware of this already—that we now need to get a move on. We are committed to doing this and to delivering the strategy by the end of the year. In a moment, I shall go into detail on what we might see in the strategy.

The MSCC has agreed its initial terms of reference, its membership, its governance provisions and the secretariat arrangements. The immediate focus now is on developing and implementing the UK marine science strategy. We have already agreed the broad outline for that strategy. I mentioned that we have put in place £600,000 for the period up to June 2010 to fund the secretariat. The MSCC met again just recently, on 13 March, in the form of a facilitated workshop to brainstorm the potential content of the strategy.

A point was raised about the minutes of that meeting. The reason why there has been a small delay is that it was not a typical meeting. It was a workshop, a brainstorming session. As soon as the minutes are pulled together, which will be very shortly, they will be placed on the website. We want to ensure that the whole process is as transparent as possible, not least because the transparency will help, I hope, to bind people into it. If they see the discussions taking place and the evidence being put forward, they will be confronted with the reality of where we need to make progress.

Work on the strategy has been progressing well. The MSCC's view is that the marine science strategy's overall aim should be to support delivery of the Government's vision of achieving clean, safe, healthy, productive and biologically diverse oceans and seas, as we set out in the marine stewardship report "Safeguarding our Seas". On the detailed content of the strategy, the MSCC's views are still evolving. That is part of the reason for the slight delay. We shall continue to ensure that those views are informed by stakeholder views, not simply top-down or Government views. However, the MSCC's outline views are these: it should be a short strategy and should not reinvent the wheel; it should probably be about 20 pages long—short and succinct; it should be sharply focused, addressing high-level, cross-cutting issues and providing direction on our future science needs; and it should concentrate on identifying where there are overlaps and gaps, because one of the things that we are not clear on is where the gaps are. We know that much good work is going on in many different institutions, but we are not clear on whether it is being duplicated and whether there are gaps.

As we heard, the wide variety of the marine environment means that, by necessity, the science base has to be equally wide. However, we will need to prioritise. We will need to find opportunities for more collaboration, and to provide signposts to more detailed strategies to follow on from that. Improving communication and access to scientific information, too, is important.

The House will be interested to hear that I was at a meeting only last week with the Crown Estate. We dealt with a range of issues, but we took time to talk about the marine science base and some of the excellent work that it has been doing, such as mapping the marine environment. We also spoke of different uses being compatible in the marine environment, and about how the work can best be shared with other agencies, particularly in connection with the Marine and Coastal Access Bill.

We need to go further, not only with the Crown Estate but with many other organisations, including academic institutions, which sometimes try to closet their research. We need to be more open and to share information. The strategy will also need to consider the big science questions—for example, those relating to climate change. We need to ensure that an eco-systems approach is taken to the marine environment. We should also consider the wider interests of various stakeholders in the marine environment, including industry. The strategy will need to improve understanding between the MMO and the marine science base. It will also need to improve understanding between policy makers and scientists.

The hon. Member for Arundel and South Downs asked whether it would be better for science to come under the MMO. No, it would not. That is a straightforward answer, and there is a simple reason. The MMO has a job to do. It will be unique in being the only body that implements high-level strategy at the regional and local level, alongside the inshore fisheries, conservation authorities and others.

The MMO will primarily be a manager of the seas, and not working as scientists, although it will have to rely on the science base. The two will go hand in hand,

[Huw Irranca-Davies]

but putting science with a planning body may lead to a conflict of priorities on funding, expertise and so on. Both are important, but the MMO is not the right home for science. The Bill has taken such a long time to get this far that I would not want to introduce the idea of slotting science in under the MMO. I mentioned that when talking about location a moment ago. The strategy will also need to recognise the important question of the long-term observation and monitoring of the marine environment.

Those are the headlines for our discussions on marine strategy and our engagement with stakeholders. However, I and my officials are committed to driving things forward across Government and with stakeholders. I want the strategy to be done and dusted by the turn of the year, so that it synchronises with what we are doing elsewhere—such as common fisheries policy reform, the Marine and Coastal Access Bill and much else.

We are determined fully to involve stakeholders—marine industries, academia, NGOs, and so on—in developing the strategy. We have already started; we can now continue. A series of stakeholder workshops will be taking place in Edinburgh and Reading later this month. We will follow that up by a variety of means, including smaller group meetings, one-to-one discussions and other tailored events, and we will put that information on the internet.

We want to test the MSCC's emergent thinking on the strategy and to take on board stakeholders' views. I understand people's frustration over the time, but it is important to get things right. It is an iterative process that will lead to an outline document in around December, followed by a draft strategy—not further consultation but a draft strategy. We should be able to sign it off by the end of the year. I believe that it has a degree of synchropicity with our other broad aims in the Bill and elsewhere.

The hon. Member for Harrogate and Knaresborough said that we need to keep our marine science expertise. I hope that I have demonstrated not only the funding aspects of our commitment, albeit that we always have to satisfy certain priorities, but that marine issues generally are high on the Government's agenda. My very presence here today as the Government's marine champion—I am only a humble junior Minister, but I can punch quite hard for my size—proves that we intend to keep and develop our marine science base and expertise.

A significant number of marine scientists from other countries now work in our marine laboratories. They are attracted by the opportunities that we can offer and what they see coming down the pipeline. For example, our fishery scientists at CEFAS are independently ranked as world-class, and they include specialists from other countries who have taken the opportunity to work alongside our agency's scientists.

The hon. Gentleman asked whether parliamentary time could be found for a further debate on the subject. I would welcome the opportunity, and I would support the process through the usual channels if an opportunity could be found. It would be good to report on progress, and to judge whether the Department had delivered. I am confident that it will.

My hon. Friend the Member for Bolton, South-East (Dr. Iddon) rightly pointed out the importance of the marine and sea environment to climate change. He also pointed out the need to draw on the best science and evidence from wherever it comes. That would include the Proudman Institute and others, and what is going on north of the border. Britain's involvement in the 33 projects that my hon. Friend mentioned signals our intention. He will know that my right hon. Friend the Secretary of State recently visited Antarctica with other environmental leaders on the international stage. He was convinced before he left, but he came back more clearly convinced of the need, in the marine environment and elsewhere, to lift our game in order to meet the challenges of climate change.

My hon. Friend raised an important point about data sets. The United Kingdom marine monitoring and assessment strategy brings together all the major funders of marine monitoring with the associated data sets; the aim is to improve collaboration and deliver a more comprehensive picture of the marine environment. Associated with that, the marine discovery metadata standard—MEDIN—has been set up to improve access to and management of UK marine environmental data. We are striving to make the marine data sets as comprehensive as possible; that will indeed be covered by the strategy. As for data sharing, the point is well made; we need to ensure that we constantly try to prise open data sets, although some have commercial imperatives, and to share the best knowledge. In my short tenure as the Marine Minister, I have seen a wealth of knowledge in various places.

My hon. Friend asked whether we have changed our stance on devolved matters. We have not; co-ordination within a committee is different from that within a UK agency. It is different from a double-hatted Minister, perhaps a Northern Ireland Minister, sitting on a broad ministerial agency. The MMO is not a UK body. It will liaise closely with Wales, Scotland and Northern Ireland, but it is an England body. One of the great successes of the Marine and Coastal Access Bill is the fact that we managed to work with the devolved Administrations to make it a UK Bill, but the MMO is an England-based organisation.

Marine policy is the responsibility of different Departments and funding agencies. Each of them has specific requirements for marine science, including providing evidence on which to base marine policy and decision-making. It would not be appropriate to pass some of those responsibilities to a new super agency. We believe that our way forward will achieve the degree of collaboration between Departments and devolved Administrations, and make the strategy work. As I said, I am happy to return later in the year to show how that is evolving.

The hon. Member for Orkney and Shetland, whom I am glad to see here and contributing to this debate, reminded us of the wider UK interest. These are actually shared seas. As was pointed out to me, earlier in my fisheries negotiations, it would be very easy to do quotas, if only the fish would stay in one place. Unfortunately, however, they do not; they swim all around the darn place—pardon my French, Mrs. Atherton. He was right to say that we cannot entirely divorce fisheries policy and science from wider marine policy and science. Sustainability on the seas presents us with important challenges in terms of conservation and marine habitat, and people making livelihoods off the sea. We need to be aware of that as we build the marine science base. Last week, when I was in Norway, I was fascinated to

learn how Norwegians are progressing with their marine science and planning bases. Although we have some things to learn from them, they were also very interested in learning lessons from the UK. It was useful to build that relationship, and we intend to continue liaising.

The hon. Member for Arundel and South Downs rightly pointed out the large challenges facing us—climate change, fishing and fisheries, biodiversity and pollution, including noise pollution. The commonality of all those is that they are all underpinned by good science. This strategy, if it is to do anything, will identify how best to deliver the science base to underpin our policies, whether on climate change, fisheries and reform of the CFP, or biodiversity. The point was rightly made: we will have to make some difficult decisions about areas to which we look for additional protection. However, if we can do that on the best science base, hon. Members can argue on the basis of the evidence, rather than on politics. We are all politicians, but it is important that we take this forward based on the evidence.

The hon. Gentleman is also right about pollution. I hope that the measures that we have taken, way upstream, on nitrate protection zones, all the way downstream, on things such as marine litter projects, and everything in between, will get the support of hon. Members. I agree with him that marine science should be put at the heart of Government. That is what we are trying to do today, and we will continue to do so. I note—with only a slight smile—that he rightly said that, although a Conservative Government would support the science base, it would make no unfunded commitments. However, he then asked if I could guarantee that funding will continue.

Nick Herbert: No, I did not.

Huw Irranca-Davies: I might be misquoting the hon. Gentleman, in which case, I apologise.

I hope that I have demonstrated our commitment both to funding and putting in place an appropriate strategy so that the funding goes further. I also welcome the hon. Gentleman's comments on the Marine and Coastal Access Bill. If we can work together, across the House, to speed the Bill on its way, while giving it proper scrutiny, it will be very welcome, and I look forward to working with colleagues on both sides of the House to do that.

I began by explaining the importance that we place on marine science, and I shall conclude by making an offer to hon. Members, including you, Mrs. Atherton. On 22 and 23 April, the RV Endeavour will be docked next to HMS Belfast. The ship is one of our marine science flagships—I hope that hon. Members will excuse the pun—and it will be hosting a number of presentations and displays to explain the Government's overall approach to marine science. My office would be very pleased to make arrangements for those interested in visiting RV Endeavour.

Finally, Mrs. Atherton—

Ann Winterton (in the Chair): Order. I point out to the Minister that my name is Winterton.

Huw Irranca-Davies: My profound apologies, Mrs. Winterton. I am grateful to you for your careful stewardship of this debate, and to hon. Members for today's lively and passionate debate about this very important topic. I look forward to returning, towards the end of this year, to this Chamber—perhaps under your chairmanship, Mrs. Winterton—or elsewhere, in order to demonstrate what progress we have made.

Question put and agreed to.

4.35 pm

Sitting adjourned.